

THE BRIDGE

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THE CREDIT UNION NATIONAL ASSOCIATION

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HAPPY NEW YEAR

"Beautiful is the Year in Its
Coming and in Its Going"

—Lucy Larcom



WILLIAM REID—1939—



CLAUDE E. CLARKE—1936-38



PRESLEY D. HOLMES—1938-39



EDWARD A. FILENE—1935-36

CUNA PRESIDENTS

The BRIDGE

January, 1940

Vol. 4, No. 10

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ADVERTISING RATES ON APPLICATION

All subscriptions received before the fifth of the month start automatically with the issue of the current month; all those received after the fifth of the month start with the following month. We find that we have a large number of address changes. To insure prompt delivery of The BRIDGE, when you change your residence, please send in a post card with your former address as well as your new address. When sending in a single subscription or a group of subscriptions, The BRIDGE would appreciate it if you would mark any renewal subscription conspicuously with the word 'Renewal'.

THE WAY TO ECONOMIC BETTERMENT

RALPH G. LONG, Editor

THOMAS W. DOIG }
JAMES W. BROWN } Contributing Editors



LIBERTY

GOAL

"We believe that money should be used for the benefit of the people to whom it belongs."—Roy F. Bergengren.



HOME

A NEW YEAR'S RESOLUTION

Edward A. Filene said, "The good life is as necessary as it ever was, but just what constitutes a good life in these changing times is still an open question.

"The good life, it seems to me, is not the life which has discovered the difference between right and wrong. The good life is, rather, the life which is earnestly discovering that difference and going toward the good.

"I was speaking, remember, of the good life—not necessarily of the lives of good people. The good life is not the perfect life. It is not necessarily the life which is well rounded out, or the life which has achieved all the better-known virtues. The good life may be a life full of mistakes and stumbling. It may not be a pretty life. It may not be at all acceptable as a pattern for others. **It is a life, however, which is concerned with the truth of things, rather than with formulas which have become half-truths.** Hence, the good life is always driving on. It is getting somewhere. It is alive!

"Too often this is not true of the lives of good people. They want to be good, no doubt, and are more concerned with being good than they are with learning anything which might upset their notions of goodness. So they get nowhere. They may be impeccable but they are very dead."

A good life is always driving on! The continued success and progress of the credit union movement depend, as in the past, on these kind of people. Let's resolve that ours be such!

* A Weinstock Lecture at the University of California, February 7, 1934.

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A MONTHLY MAGAZINE DEVOTED TO THE CREDIT UNION MOVEMENT

Educational Department of CUNA

Outline Objectives

A Few of the Objectives

As by Director Shipe

CREDIT UNIONS have not reached the ultimate possibilities of service to their members. In order to do this, it will be essential for members as well as credit union officials to understand the basic ideals and aims of the credit union movement.

Our first objective, therefore, is to stimulate active and understanding member participation in the operation of the credit union. *Members should never come to think of their credit union as just another "loan company."*

A second objective, therefore, is to maintain and encourage the fundamental cooperative ideals of credit unions.

The ultimate goal of a credit union is to improve the economic condition of its members. In order to reach this objective, it will be necessary that methods and material be provided to help members learn how to make better use of their income and savings.

The credit union is now the road to economic betterment for approximately 8,500 groups. The service of a credit union is not limited to these groups.

Still another objective, therefore, is informing prospective credit unionists and the general public as to the function and value of the credit union.

Methods

Various media and methods will be used. The following will give an idea of what they are:

1. The BRIDGE, including state supplements.
2. State League publications.
3. Chapter Bulletins.
4. Encouraging active Educational Committees in each credit union through,
 - (a) Suggestions in The BRIDGE.
 - (b) Correspondence.
 - (c) Correspondence Courses.
 - (d) Chapter discussions (planned chapter programs).
 - (e) CUNA Contact and Education Department, League Managing Director and assistants.
 - (f) CUNA, League, Chapter Educational Committees.
 - (g) Credit Union manuals
 1. General operation of a credit union.
 2. Accounting.
 - (h) Moving pictures, slides, charts, posters, leaflets, pamphlets, inserts, blotters, plays, transcription, etc.
 - (i) Study clubs, discussion groups.
 - (j) Radio programs.
 - (k) Credit Union schools.
 1. School, College, and University courses.
 - (l) Lectures and conferences.
 1. Regional meetings.

- (m) Publication of revised CUNA EMERGES with questions at end of each chapter, making it more adaptable for study club or discussion group use.
- (n) Editing and publishing of Tom Doig's "Questions and Answers."
- (o) Full utilization of newspapers, magazines, trade journals, etc. for disseminating information on function and value of credit unions.

INTRODUCING THE EDUCATIONAL DIRECTOR

We knew you would want to know something about Orrin, and on inquiry learned that he was born in Blue Grass, North Dakota; moved to Buffalo, New York on June 22, 1922; educated in public schools and the University of Buffalo;



J. Orrin Shipe

worked for Buffalo Insurance Company (seven years as an accountant, three years as an underwriter); learned of credit unions through an editorial; organized and became the first treasurer of the Buffalo Insurance Federal Credit Union through the assistance of the Credit Union National Extension Bureau.

He was drafted into chapter affairs through assistance and organization service rendered to other beginning credit unionists; was elected chapter Secretary-Treasurer, later elected Chapter President. He then organized and became the treasurer and a member of the Credit Committee for the Western New York Federal Credit Union (an officers' credit union); was elected Director at Large of New York State Credit Union League; resigned treasurership of Buffalo Insurance Federal Credit Union and was elected President.

He was Assistant Director of the Cooperative Institute (a credit union school) sponsored by D'Youville College, and had charge of part of the credit union weekly broadcast.

Orrin was employed by CUNA in the Contact and Organization Department on March 1, 1939; developed Excess Bond Coverage plan; organized five study clubs in Kansas which are studying the possibilities of a successful credit union in their respective rural communities.

ANNUAL MEETING TIPS

A VAST ARMY of credit unionists, approximately 2,500,000 strong, will receive notification or an invitation, this month to gather in about 8500 groups, for January is annual meeting time in the credit union movement—time to exercise the basic cooperative principle our membership grants us, controlling the destiny of our own financial unit for the benefit of all of the members.

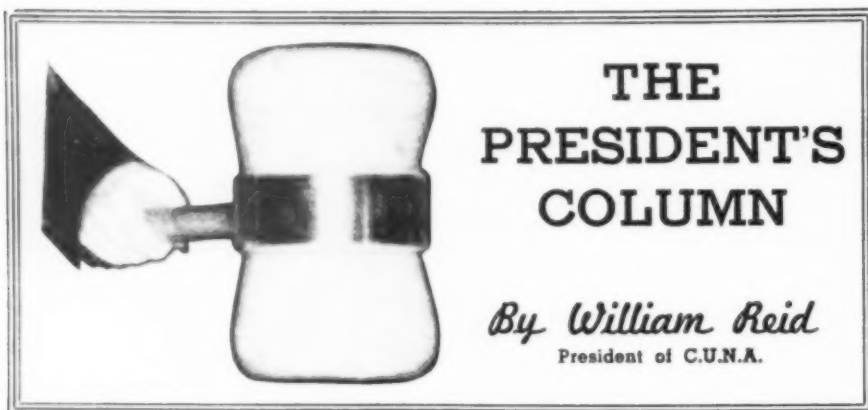
Planning of the annual meeting by the Educational Committee, not the treasurer for he is too busy, begins by reviewing the by-laws and then it should be decided what type of an annual meeting your credit union is going to have. Will it be a straight business meeting, will it be a dinner meeting, perhaps a dinner dance, will there be other forms of entertainment—a speaker, a movie, slides, a play, or a quiz? A combined social and business meeting is in keeping with the philosophy of Desjardin—"A Credit Union is an association of people, not dollars."

The reports of the Directors, Treasurer, Credit and Supervisory Committees should be prepared and reviewed before presentation at the members' meeting. Long, dry, dull, statistical reports are to be discouraged. Try to incorporate in the reports a personal touch; however, caution must be exercised so that confidences are not violated.

Charts and graphs are most useful in reporting the financial condition and membership progress of the credit union. A simplified financial statement will illustrate the financial growth and progress in a manner which makes it unnecessary for one to be an accountant in order to analyze and digest the figures and terms used. Cuna Educational Services has prepared a kit which may be obtained from Cuna at the price of one dollar per kit (less 20% to league members) which contains three charts, 25x38 inches, gummed numerals and a black crayon. With these devices, a financial statement, operating income, and expense statement, and bar graphs showing the progress of the credit union from the standpoint of average yearly savings, amount loaned each year, membership progress and yearly asset growth, can be visually and effectively shown.

The next step in the planning of a successful annual meeting is the preparation of the "Notice of Meeting." Effective notices can accomplish much for they give not only the time, date and place of the meeting, but mention of entertainment, short summaries of reports, simplified year end statement, and other points on which the management desires an opinion or vote of the membership.

Many credit unions publish an annual
(Continued on page 17)



THE PRESIDENT'S COLUMN

By William Reid
President of C.U.N.A.

[[President Reid sends a message of sound reasoning for sane thinking. Are we of the United States, through our experience in the last world war, going to heed that lesson?]]

WHILE WE ARE entering the New Year with the Old World in a terrible and apparently unnecessary turmoil, I think I am expressing the hopes of all in saying that recent action on the part of our President and Congress will maintain peace among all peoples on this Continent.

Passage by the Congress and the President's signing of the so-called "Cash and Carry" Neutrality Act was an event of incomparable human significance in the history of our Country.

As a concrete example of the people of this land thinking for themselves and apparent recognition of the fact that we are a people—despite the history of the quarrelsome human race—who remember bitter and fatal experiences of the last war—that war was not our war; neither is the present war, our war.

"Save the World for Democracy" or "Self-preservation" was the cry in the last war and the question naturally arises whether we are better preserved to-day than we were then. It would appear in many respects we are somewhat worse preserved.

The previous war cost millions of lives and billions in money. The World has been suffering from the aftermath ever since. The "War to Prevent War" is beginning all over again. We hear it said "If we stay out of this War and Hitler wins, he will invade America next." I say I don't believe he will invade America. If he does, then we will fight! Then will be the time to fight! Not before!

In this land we have about 130,000,000 people. Our forebears came from every Country in Europe and from countries outside of Europe. They came in large part to escape war. They came here for religious liberty. They live, work and have prospered; and have been at peace with one another.

We are a virile people. Many and tremendous obstacles have been surmounted.

We took a terrible risk in entering the last war. In doing so we apparently only

helped stop it for twenty years. It has started all over again.

Since that war we, much to the amazement of Europe, suggested a Disarmament Pact. Europe agreed and were astounded at us because, for the first time in history, people possessing the power we have were offering to limit our armament so that they would be on a parity with us.

We sunk our ships and otherwise limited our weapons in accordance with that Pact, but did they stick to their agreement? The answer is "no." We woke up one day and realized that our Navy was the only one that actually had declined in strength.

The new Neutrality Act prevents foreign credits, prohibits American travel, provides that American ships may not carry contraband and the President, by the authority given in the Act, has barred American ships, aircraft and citizens from belligerent waters. This should negate every consideration that brought America into the last war.

I, of course, appreciate that no one can be neutral in his thinking. I believe most of the people in this Country want to see the Allies win, but I also believe the vast majority of our people do not want any part of the present war. They would like to see peace under conditions which will bring about good will among all people—a lasting peace—and I hope this Country will keep on, as it has started, and not let the strife of war bring on a fever, a war fever, and create hysteria that will plunge us into a war that is not our war.

Let us continue to show the World that it is possible to settle problems by reason, that force is unnecessary and perhaps by so doing war will one day be a thing of the past.

Let us hope, too, that the Congress will do whatever is necessary to strengthen our army and navy so that no one will ever cast longing eyes in our direction, regardless of the outcome of the present European catastrophe.

Meet A Member of The National Board



Harold Moses
of New Orleans, La.

A Bit of Personal History

BORN ON April 16, 1901. Educated in the public schools of New Orleans. Went to Tulane University in 1919, took two years of Engineering and then changed over to Law, graduating with a LL.B. in 1924. At Tulane he was Varsity Debater, Editor in Chief of the "Jambalaya," the annual; editor in chief of the Tulane Handbook for two years, Head of the Oratorical and Debating Council and Glendy Burke Literary and Debating Society; at same time was elected to Sigma Upsilon, honorary literary society, and Kappa Delta Phi, honorary society. He is a member of Sigma Alpha Mu, social fraternity.

Since graduating he practiced law for a while, then went with the Union Title & Guarantee Co., and in 1930 with the Federal Land Bank, where he has been employed in the legal department. Was married in 1933, has two children, a boy, Harold Robert, born June, 1936, 3½ years old, and a girl, Carolyn, born August, 1939, 3 months old.

Heard of credit unions when someone broached the idea of having one in the bank. The idea came from one of the other Federal Land Banks. He helped organize the F.C.A. Credit Union of New Orleans, and was its first president. He has been its president ever since.

Attended the first meeting called to form the Louisiana Credit Union League, by Tom Doig, and at the meeting was elected National Director. In 1938 and 1939 he was elected President of the Louisiana Credit Union League.

Organized the New Orleans Credit Union Chapter in 1935, was elected its first president, and is to date.

Helped organize the Louisiana Central Federal Credit Union in 1937 and was elected Vice President, which office he continues to hold.

In April 1938 he was elected Secretary of CUNA and unanimously re-elected in May 1939. Naturally Harold is a member of the Founders' Club.

Need we add that Harold has been and is, diligent, earnest and efficient in his credit union work? HE IS ALL THIS, AND MORE.

AS OTHERS SEE US

By JAMES W. BROWN

AN ARTICLE appeared in a recent issue of the Saturday Evening Post in which reference was made to the credit union. The writer sent the following letter to the Post.

"Dear Mr. Editor:

In the article 'If You Must Borrow' which appeared in the Saturday Evening Post of November 4, 1939 your contributor made several statements about credit unions which are untrue and give your many readers an entirely wrong impression.

1. He states there is an almost entire lack of privacy in the transactions. This is not true. All credit union loan committees and treasurers observe the greatest secrecy in handling loan applications.

2. The statement is made 'And if you (the borrower) fail to pay up, your co-makers, as members of your own social or business group, may make things exceedingly unpleasant.' Suppose a friend of yours asks you to be co-maker on his note and then deliberately defaults and makes you entirely liable for the payment of the note. Why shouldn't you be a little riled and put in an unpleasant mood, or does your contributor expect you to kiss the borrower on the right cheek and say, 'That's all right, brother, I'm tickled to death to pay your loan.' It is the general practice of credit unions to be very patient with borrowers who do their best to even partially meet their payments and only call on the co-makers when the borrowers deliberately avoid payments.

3. The statement 'in spite of loans of \$160,000,000 the importance of Credit Unions appear to be exaggerated' can be questioned. This sum of money can hardly be called unimportant and the potential possibilities of the credit union movement have hardly been scratched."

The following reply was received from the Post:

"When the facts of one our contributor's have been challenged, we always give him an opportunity to answer for himself and we have taken the liberty of forwarding your letter to Mr. Brentano."

A letter was received from Mr. Brentano a few weeks later:

"My dear Mr. Brown:

The Saturday Evening Post just forwarded your letter of November 4th, and I am sorry you feel some of my statements made a wrong impression.

May I say that I obtained my data on Credit Unions from some of the experts in the Credit Union field, and that both they and I are friendly to the movement.

The statement about the lack of privacy was told me with various illustrations. I know that treasurers and committees observe secrecy but I was given to understand that especially in the smaller unions it was difficult to prevent 'leaks.'

You asked the editor of the Post in your letter why he should not be riled if a friend for whom he has been a co-maker *deliberately* defaults. I underline your word deliberately. It has been my experience that very few loans are deliberately defaulted, they are usually unpaid because of the inability of the borrower to meet his obligation when due.

I know of a situation that occurred in the last few years of the depression in the public school of one of our large cities. There was a credit union in the school and about half the teachers borrowed because during the depth of the depression many of these teachers were the sole support of their family. A majority of these borrowers become so involved they would not repay, and this led to so much bitterness on the part of the more fortunate teachers (who did not have to borrow) that the school was divided into an armed camp. Eventually educational experts had to be sent to the school to restore morale among the staff.

All that I mean to imply is that many of us prefer to make loans from absolute strangers rather than from our own friends, because we have a feeling if sickness or other bad fortune prevents repayment, we do not want to embarrass our friendships.

When I spoke of loans of \$160,000,000, I did not mean to minimize the importance of the movement. Nevertheless you realize there are certain large banks whose loans total this figure. Even the 'Consumers Guide,' a government publication, says the resources of the credit union only suffice to satisfy about one out of every twenty-five borrowers.

It would seem to me I could do more injury to the movement by overselling it with grandiose claims, than by making a conservative presentation of the picture.

I appreciate your writing and trust you will now understand my own attitude. Sincerely yours, Lowell Brentano."

We appreciate the sincerity and friendliness of Mr. Brentano's letter and it should be helpful to analyze and consider the ideas he presents.

To present a true cross section picture of credit unions would require first hand knowledge of the operations of several

(Continued on page 12)

BETWEEN YOU AND ME

Hello and Happy New Year!

The worst waste of time is in getting out of bed too soon before breakfast.

NATIONAL CREDIT UNION STATISTICS

(Dec. 31, 1938)

Assets	\$142,000,000
Shares	114,000,000
Reserves	5,996,256

Dividends paid in 1938 (12 states not reporting): \$3,451,918. Outstanding loans were 94.7 percent of share capital. Number of loans made during 1938—1,539,280.

Number of Credit Unions:

1936	5,437
1937	6,400
1938	7,265
1939	8,246*

Membership:

1936	1,209,902
1937	1,546,400
1938	1,931,400
1939	2,412,158*

Amount of Loans:

1936	\$112,134,577
1937	\$139,355,200
1938	\$186,302,800
1939	\$249,086,843*

* These are BRIDGE estimates based on percentage of increase in 1938 over previous year.

At end of 1938 the states having over 400 credit unions were, in order: Illinois 578, Wisconsin 542, New York 534, Pennsylvania 444, Massachusetts 443, Ohio 407.

And as to membership, those states having over 100,000 are: Illinois 210,053, Massachusetts 176,809, New York 166,274, Pennsylvania 121,082, Wisconsin 117,423, California 108,329, and Ohio 105,849.

With reference to loans made during the year, the leading states were: Massachusetts, \$24,703,705; New York, \$19,782,572; Illinois, \$19,492,237; California, \$11,064,678. No other state reached the \$10,000,000 mark.

The above is from the Bureau of Labor Statistics, United States Department of Labor, who state over 95 percent of all credit unions in active operation reported.

"When we try to teach people what to think, instead of how to think, we get such extremes of conduct as to threaten our social stability."—Edw. A. Filene.

'Til next month.—R. G. L.

What About It?

Readers are invited to Submit Questions on any Credit Union Problems and also to give us your frank reaction on the answers, whether you agree or disagree with the Editor.

By TOM DOIG

QUESTION 1.—From Illinois. EXCESS COVERAGE BOND. The other night at a chapter meeting one of the speakers mentioned an Excess Coverage Bond. What is that and what does it cost?

ANSWER: The Credit Union National Association is now preparing to put an Excess Coverage Bond in effect January 15th, 1940, for all affiliated credit unions desiring it. This excess coverage will be paid for by CUNA and will not cost the credit union anything but will bring to the credit union great benefit.

This bond will be written by the National Association in the amount of fifty thousand dollars, and this fifty thousand dollars of additional bond coverage will apply to every credit union which writes its bond through the National Association and which is willing to bond its Treasurer in an amount which equals ten per cent of the credit union's assets.

Let's say the credit union has assets of \$20,000. Then it must bond its Treasurer in the amount of at least \$2,000 and if this bond is written through CUNA and the Treasurer should steal \$10,000.00 the credit union would recover from the bonding company \$2,000.00 under its own bond and \$8,000.00 from the Excess Coverage Bond purchased by the National Association. This gives the credit union thousands of dollars worth of added bond protection without added cost.

If you are not now writing your bond through CUNA, you should immediately start. Further details may be had on request.

QUESTION 2.—From Maryland. EARNED INTEREST. Our Credit Union deducts interest in advance instead of charging on the balance. Are we correct in declaring dividends on the basis of all interest received or should we calculate what is actually earned each year before declaring dividends?

ANSWER: Dividends can only be paid from earnings. If you collect interest in advance you should, at the end of the year, calculate what portion is earned before dividends are declared. If you are discounting at 6% this is close—not exactly—to 1% on balances. A simple way to calculate the earnings therefore, is to set it up at the rate of 1% per month on the total outstanding balance of loans in the credit union.

This will not be exact but it is close enough for all practical purposes. Exact tables at different interest rates are available through the CUNA Supply Cooperative.

QUESTION 3.—From Maryland. COLLEC-

TION OF CHARGED OFF LOAN. We have collected \$200 on a loan previously charged to the Guaranty Fund. Where do we credit this payment?

ANSWER: Amounts charged to the Guaranty Fund and then recovered should be credited back to the Guaranty Fund and not to Loans Receivable. Do not charge to the Guaranty Fund until the directors have made every effort to collect.

QUESTION 4.—From New York. INTER-LENDING. We have been hearing about interlending between credit unions, and want more information. Our Credit Union has for some time now had about \$5,000 more than its members are borrowing, although our loans are increasing each month.

ANSWER: Insofar as possible, a credit union should keep its money loaned out amongst its own members. The demand exists so long as our people are financing everything from radios and washing machines to automobiles on the installment plan. We must do everything we can to broaden this field of service.

However, if as you say, you consistently have more money than your members borrow, then it is decidedly worthwhile for you to put it into some other credit union.

Laws vary with regard to this. In New York, credit unions chartered by the state may either loan to or invest in the shares of other credit unions.

Federal credit unions may loan to each other wherever they are located. The lending credit union may only loan up to 25% of its share capital but the borrowing credit union may accept up to 50% of its shares.

Interest rates between credit unions vary. Four and a half per cent per annum would seem fair. Idle funds don't earn this amount and banks charge more. Thus, both the lender and the borrower get a good deal by cooperation in this way.

Your State League office will be glad to put you in touch with a credit union in need of funds. Some day we'll own a national central credit union so we can keep our funds flowing freely where they are needed.

QUESTION 5.—From Rhode Island. DIVIDENDS. It was the thought of one of our Directors that we should change our present plan of computing dividends on an annual basis to that of a monthly basis. This matter was discussed pro and con. It was finally decided to ask you what other credit unions are doing with regard to computing dividends.

ANSWER: Most credit unions compute dividends on a yearly basis—that is, on fully paid shares at the end of the year, and for the actual number of months the shares were in the credit union.

Dividends are profit sharing and it is difficult to compute the profits for purposes of distribution on a monthly basis. The expenses may be much higher in one month as against another. A longer period is required to compute a percentage of return.

A share is a unit of ownership of the credit union. It is a part of the total capital of the credit union structure. It also represents the permanent savings of our members and shouldn't be withdrawn lightly.

If members want to save for a specific purpose like taxes, mortgage amortization, insurance, etc. a deposit account can be opened—in addition to the share account. This is not permitted in some states but is in Rhode Island. A rate of interest is fixed by the directors and it has to be low since it is guaranteed in advance.

QUESTION 6.—From Tennessee. LOANS. Should loans be granted to a party:

(a) Whose only obvious interest in credit unions is to obtain loan after loan at low rate of interest?

ANSWER: Since it is the business of the credit union to lend money at low rates of interest, we must admit that it is necessary for us to do business with those people who from time to time are in need of loans. From the lending point of view, the man who does not borrow occasionally is not a very worthwhile member. A man who borrows and borrows and borrows from the credit union simply because its interest rate is low is, after all, the man who furnishes the business on which the credit union thrives. Certainly so long as he is honest with the credit union I think we should appreciate the business he gives us.

(b) Who bankrupts just about as often as the law will permit, thereby defraying payment of just debts, but pays the credit union on the sly, his apparent reason for so doing to keep himself in good graces of the credit union in order that he may obtain future loans?

ANSWER: Sometimes individuals are forced into bankruptcy by circumstances over which they have no control. As treasurer of a credit union, I have made many loans to individuals who have recently filed bankruptcy proceedings. The man who, in spite of having taken bankruptcy, remains faithful and honest with

his credit union is, it seems to me, entitled to some encouragement by the credit union. Yes, I would lend to that individual.

(3) Who immediately after bankrupting, purchases or trades for a better automobile or similar article not actually needed?

ANSWER: It is the credit union's business to make helpful loans to its members. It is the business of the Credit Committee to determine whether or not a loan will benefit a member. Certainly it is not our desire in the credit union movement to get people needlessly into debt and a loan to a member for the purchase of an article which is not really needed or which would not benefit him would not be a proper loan. I do think, however, that we should be extremely cautious in judging the needs of our fellow man.

(d) Who gets intoxicated on pay day and loses his entire pay gambling and looks to the credit union for another loan or tries to withdraw shares on which a previous loan has been granted?

ANSWER: In this question you ask if loans should be made to one who gets intoxicated on pay day and who loses his entire pay on gambling. If drunkenness were habitual with the member, it would not be possible for him to hold his position long. If his entire pay were spent each pay day in gambling, it would be impossible for him to make his credit union payments. In either of these two cases it would be, of course, improper for the credit union to lend him money. However, if he is on the job practically every day, then he is not a drunkard. If he is able to live and in a fair way take care of his living expenses, then his gambling habits must be quite limited. The question again becomes fundamental. If the credit union can help this individual without too great risk to its own safety, then it is the business of the credit union to help him.

(e) Whose moral record is very bad?

ANSWER: How does one know about the moral record of his fellow man? I might be physically moral and mentally immoral. I might be physically and mentally moral and be ethically immoral. I might be physically and mentally and ethically moral and spiritually immoral. Just what are morals and by what standards shall we measure them? The reputedly most moral individual who ever lived, when asked to sit in judgment on the life led by a fellow mortal, replied, "Let him that is without sin among you cast the first stone." I am afraid I would have to refer this question to a philosopher—and yet the reference I have given you comes from the greatest of all philosophers.

(f) Should we allow withdrawal of any part of share holdings which have been given as security on loan?

ANSWER: Now we are back again to a more practical question. In my estimation, withdrawals from the share account should be permitted by any borrowing member so long as his loan is not in arrears and provided that he has not specifically in his loan application set forth
(Continued on page 22)

IS YOUR CREDIT UNION PROPERLY PROTECTED?

Through the National Association you can obtain Burglary, Theft, Messenger and Holdup insurance in a sound company at very reasonable rates. Be sure to avail yourself of these services.

Don't Permit . . . Your Loan Records to become PUBLIC PROPERTY

By filing chattel mortgages or similar lien instruments thereby . . . *Such filings are*
laying them open to the inspection of unscrupulous loan agencies. **No Longer Necessary!**

The new CREDIT UNION FILING AND RECORDING INDEMNITY BOND issued by CENTRAL SURETY AND INSURANCE CORPORATION will indemnify your Credit Union against all losses sustained by reason of your voluntary failure to file of such instruments.

IMPORTANT

The use of this bond in lieu of record filing is approved by the Credit Union National Association, The Farm Credit Administration-Federal Credit Union Section, and various state credit union supervising authorities.

*Protect your members while saving
time and avoiding inconvenience.*

PREMIUM ONLY **35¢** PER CHATTEL LOAN

No minimum premium charged. This premium is less than the average filing costs.

This protection is now afforded credit unions in twenty states at only thirty-five cents per chattel. Write the Credit Union National Association, Madison, Wisconsin, for further details.

Adv.

FEDERAL SECTION



NEWS of the CREDIT UNION SECTION, FARM CREDIT ADMINISTRATION

By OTTO WILSON

Busy Evenings in January

APPROACH OF January, to the members of the Credit Union Section staff and field force, brings thoughts of busy afternoons and evenings. Some 3,200 annual meetings of Federal credit unions will be held during the month, and the Section's personnel tries to attend as large a percentage of them as possible.

There is no lessening of emphasis on the value of holding a well-prepared-for, well-attended, lively, and enjoyable annual meeting. On the contrary the Section is trying more than ever to interest credit union managements in making of the event a lasting influence throughout the year. Its pamphlet of "Suggestions" for these gatherings has been revamped and amplified and a copy has been placed in the hands of every Federal credit union treasurer.

Following the meetings last January, reports from about 85 percent of the total Federal credit unions' active at that time were received. They showed a total attendance of slightly over 100,000, including a small proportion of nonmembers. This represented about one-fifth of the membership. The figure is encouraging enough, but it shows how large a margin the officials have to work on when they set out to improve attendance. Field men report that the items which seemed to arouse most interest, aside from dividend declarations, were management reports, elections, and discussion of operating practices.

Mid-Pacific

Glimpses of Federal credit unions at work in sunny Mid-Pacific islands came to the Credit Union Section recently with the visit of Mr. and Mrs. C. A. Woolard of Hawaii.

Mr. Woolard looks after the interests of the Section in the islands, where the number of credit unions, all Federal, is gradually approaching 100. Approximately one-fourth are organized among plantation workers. As stated by Mr. Woolard, there

has been no difficulty in adapting credit union procedure to the peculiar conditions of plantation life, and credit unions are meeting the needs of these tropical workers much as they do the needs of skyscraper denizens of New York or Chicago.

The plantations raise sugar and pineapples—mostly sugar. There is no seasonal ebb and flow of labor, so the credit unions have a fairly stable membership field in which to work. A large part of the labor is Filipino, and one of the peculiar uses to which the credit union thrift facilities are put is to help the young Filipino worker to accumulate enough savings to buy a small plot of land back home in the Philippines. Workers often save a surprisingly large percentage of their wages. The payroll deduction system is almost universal on the plantations, the management in nearly all cases being entirely favorable to credit unions.

Labor Unions

Issuance of eight new Federal charters to labor union groups in a period of about four weeks emphasizes again the encouraging manner in which organized labor is sitting up and taking notice of the value of credit unions.

From many sources comes evidence that this interest is nation-wide. But as so often happens the present spurt is due chiefly to organizing activity in a single locality. Of the eight new charters, six went to labor union groups in Buffalo, New York. In that city, Father William J. Kelley carries on his "credit union school," and he also fills the position of chaplain educator of the Central Labor Council. It is not surprising, then, that Buffalo for the time being is the capital city for credit union organizing in labor union circles.

The other two new Federal credit unions of this type were set going in Harrisburg, Pennsylvania, and New Haven, Connecticut. Of the eight new organizations only two were formed among workers in the same industry—bakery drivers, and bakery and confectionery workers. The others in-

cluded upholsterers, carpenters, brewery workers, machinists, teamsters and chauffeurs, and barbers.

Over 90 Percent Survive

A slight revision of the regular monthly list of new charters issued by the Credit Union Section has been made so that the cumulative figures by states and types show the number of Federal credit unions in actual operation instead of the total number chartered to date.

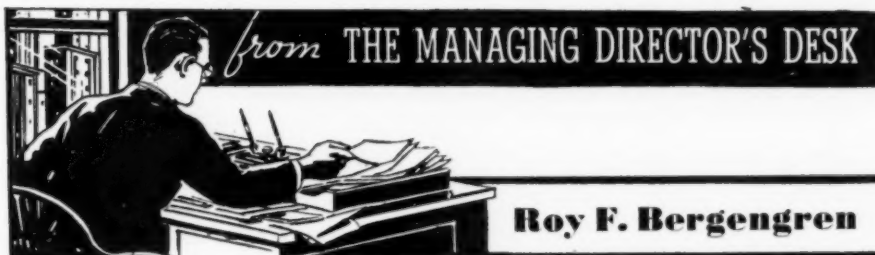
The statement also shows from month to month the total Federal credit unions that have become inactive through liquidation or suspension. As of October 31 (latest date for which figures have been published), 3,498 Federal charters had been granted; 237 had been canceled; 87 Federal credit unions were in process of liquidation; and 4 were suspended. The number of active Federal credit unions as of that date was therefore 3,170 or slightly more than 90 percent of those chartered since the Federal act was passed.

Federal Notes

The idea of exchanging credit union publications continues to find favor among the goodly company of editors. There are now some 26 names on the list maintained by the Credit Union Section, including one from Canada. Every credit union organization, state or Federal, which issues a regular publication, even if only a single mimeographed sheet, is welcome to have its name added to the list if it is interested in exchanging its publication regularly with others.

Growth of teacher Federal credit unions in number, membership, and assets is shown by three wall charts, in colors, prepared by the Credit Union Section for use at teacher conventions.

The charts are about 30 by 40 inches in size and are fitted with cords to be hung conveniently on wall or screen. They will be loaned on request to any group interested in putting on an exhibit at teacher meetings.



A Happier New Year

IF YOU READ the newspapers and listen to the radio and attend the movies (as we all do) you will, I think, agree with me that it is difficult to wish anyone a "Happy New Year" with any real hope that he'll get it!

At this writing, we are entering one of those dark periods in human history when all sense of international morality seems lost for the time being. The strong move relentlessly against the weak. Just look to the most recent contestants: in the one corner, Finland, champion flyweight (population three and a half million) vs. Russia, the heaviest of the heavyweights (population 147,000,000)! The armed gangster, in the big city, terrorizes his unarmed victim, killing, possibly one or two people and running away with what he can steal; the international gangster bombs a city and slaughters ruthlessly thousands of unarmed men, women and children. The plan is the same and both violate all the tenets of civilization.

We can, however, as we think of the New Year, be happy that it is still possible in the United States of America to sleep without fear and go about our business unafraid.

The happier New Year will come when the whole world accepts the principles of brotherhood, the only basis on which a decent civilization can be built.

We Have Our Responsibilities

As I look back over 1939, what impresses me most is our responsibilities. We are all a part of a great movement which has to do with basic human rights; we have, in the credit union, a device for making in America a more truly democratic economic life. What are we going to do with it? Personally—it seems to me—it is our job to perfect this device and to bring it to a hundred million people who need it. There will be those who will attempt to retard our progress. If we work intelligently together with right leadership—we need not fear them. Our New Year's Resolution should be that we accept the responsibilities involved. We are not digging in! We are surely not retreating! We must go forward! I speak first of serious things because this is a time for serious thinking. As soon as we get our minds off world affairs and concentrate on the credit union—out comes the sun! I repeat, the credit union idealism is what the whole world most needs right now. But because it is a time to find what of good cheer is discoverable, let's look to the credit union country.

CUNA Mutual

Do you realize that the CUNA Mutual Society has paid 3,291 claims, totalling

\$415,460? That's almost a half million dollars which the estates of deceased credit union borrowers and their endorsers didn't have to pay. Do you realize that the CUNA Mutual has assets of \$265,554, although it started \$35,000 in the red four and a half years ago? *Who owns the CUNA Mutual Society? The credit unions and the credit union members who make use of it!*

CUNA Supply

I note that the net worth of the CUNA Supply is now \$35,090. It made 818 shipments in November, totalling \$5,613. *Who owns it? The State Leagues which constitute it!*

CUNA Bonding Department

Here's the Christmas present made by the CUNA Bonding Department to the 3300 credit unions which use it. We have arranged for a \$50,000 excess coverage bond for all credit unions which (1) are bonded by CUNA: (2) have a treasurer's bond equal to 10% of their assets as of December 31 and (3) belong to the State League. If the credit union has assets of more than \$500,000, special arrangements are made as the 10% relationship of bond to assets does not apply to them. What does this mean? Suppose a credit union which has assets of \$50,000. Its treasurer has a \$5000 bond, supplied by CUNA and belongs to the League. It gets \$50,000 of extra coverage at no cost. *This means that it will be practically impossible for any such credit union to suffer a loss resulting from defalcation.* Write Ruth Ryan, CUNA Bonding Department for details.

You have heard about chattel lien insurance now given the somewhat fancy name "credit union filing and recording indemnity bond." It sells for 35 cents per chattel covered. The purpose is to eliminate the high costs of recording in states where recording fees are excessive. It protects simply against any loss due to failure to record. It covers chattel mortgages and any other instruments (sales contracts, etc.) taken as security which, by the laws of the given state, must be recorded. The process is this: as soon as in your state you indicate you want this service by writing us, our agents secure the approval of the bond by your state insurance department; as soon as this has been done we ask your League Managing Director to secure the approval of the State Supervisory Department (the Federal Credit Union Section has already approved). Then we can write it. Already we are writing it in several states for 190 credit unions to date. Write Miss Ryan for details.

The Central Bond is up to almost seven million dollars of coverage, serving 3300 credit unions as noted.

November a Poor Month

Only 85 new credit unions reported in November. *The big job for 1940 is to step up the organization program.*

Full Time Managing Directors

Tennessee has voted to put on a full time man early in the new year. The recently appointed Texas Managing Director, W. J. Edmonston, is rapidly getting oriented to his job.

Educational Department

Orrin Shipe is rapidly whipping an educational department into shape. His first contribution includes an outfit composed of three charts, each 25x38 inches, designed to enable a Treasurer to visualize, at his annual meeting, the true condition of the credit union and its growth in words the average member can understand. Crayons and gummed numerals go with the charts and it's fun to make one. Exhibited at the annual meeting, it can be seen all over the hall and tells the members the accurate story of the credit union. It sells for \$1.00, with 20% off to League members. Everyone who has seen it, likes it. For information write Orrin Shipe, CUNA Educational Services, Raiffeisen House, Madison, Wisconsin. *In 1940 this department will fill a long felt want in the credit union movement.*

Prime Resolution for 1940!

Resolved: that during 1940 we, the credit union movement in the United States, will solve the one problem we have which still remains to be solved. We will push the circulation of the BRIDGE up to 50,000. We will see to it that every credit union director and committee member gets the BRIDGE. We will put our state on the top in total subscriptions. We solemnly resolve that on New Year's Day, 1941, we shall be able to point to the BRIDGE as the greatest achievement of 1940.

New Raiffeisen House

We are all moved to new and infinitely better quarters at 1342 East Washington Ave., Madison, Wisconsin. We are very proud of our new quarters and would be most happy to welcome here all BRIDGE readers—only don't come all at once!

Educational Committees

Educational committees will become increasingly important now that we have an Educational Department to help them. *Why not make your Vice President Chairman of the Educational Committee and give him a real job to do?*

Curtain

Don't cry over spilled milk! *The errors of 1939 were valuable as they taught us what not to do in 1940; the successes of 1939 taught us how better to succeed in 1940.* The credit union movement is a "movement"; that involves motion and motion forward. Sometimes I listen to some of our younger men and they seem to me to be afflicted with a sort of credit union hardening of the arteries. That's an old man's disease and *there is no credit union member living who will live long enough to see the credit union movement out of its youth.* We can do every right thing; we have no place for "rut thinking." *Ours is the courageous job of youth.* Let's get on with it in 1940. To one and all—a happier New Year!

CUNA IN THE FIELD

By CHAS. F. EIKEL, JR.
FIELD REPRESENTATIVE

DOWN IN DIXIE

Greetings

HELLO CREDIT UNION friends in the East, North and West. A **HAPPY AND PROSPEROUS NEW YEAR** to all of you from your credit union friends down here below the Mason and Dixon Line. 1940 has all indications of being a banner year for the credit union movement as a whole but especially so for the credit unions down here in Dixie. We won't make any predictions, but we do believe the credit union movement in our southern states is steadily moving to the front and we will have plenty to tell you as the year rolls along. But right now we want to tell you just a little something about what we have here in the Southland so you can keep step with us as we progress thru the year.

Watch Us

You know, up in the North, in the East and in the West you are really "tops" when it comes to credit unions, state leagues and chapters. If you don't believe me, just you go along with Tom Doig, Dora Maxwell or Cliff Skorstadt when they "invade" the South, and if you don't swell up with pride to the point of popping a few buttons off the old vest it will be because you haven't paid any attention to what they were saying. But we like to hear about these fine credit unions you have and these splendid state leagues and chapters. And we like to read about them and we do. (And I do mean we do.) And very calmly, as is customary of we Southerners, we just say "shux, if they can do it, so can we." And believe me we can and will, so in the future keep your eye on DIXIE, we are really going places. YES, SUH!

Getting Underway

Credit union development in the South has been slow. There is a reason of course, and it is nothing more than that we are a very cautious lot and we must be absolutely certain a thing is good before we take a chance. But once we know we really go in for it in a big way. We know now that the credit union is the finest thing that ever hit this country and it is our intention to develop it as rapidly as possible.

Tennessee

Up in the state of Tennessee, the DAM state in the HEART OF THE SMOKIES, the credit union movement was carefully

watched and studied for the past several years. After about ten weeks of intensive work and a reorganization of the league, this state is rapidly coming to the front and is planning to place a man in the field in the very near future.

With already 123 credit unions and the great potential field for development, Tennessee should be one of the outstanding leaders in the credit union movement before many years have passed. I had the pleasure of visiting about 80% of the credit unions in Tennessee and believe me, they are all doing a very grand job.

There is no reason why these credit unions shouldn't be doing the job for which they were intended when the state can boast of such outstanding credit union leaders as A. D. Reiger of the Chattanooga TVA and League President; E. J. Triebe of the Kingsport Press and League Vice-President; W. B. Langley of the Chattanooga Post Office and League Secretary and Treasurer and I. A. Martin of Fulton Employees in Knoxville and W. D. Kimsey of the Knoxville Post Office; E. G. Cook of the Illinois Central, Memphis and C. C. Penny of Kroger, Memphis. And over in Nashville where we have the largest credit union in the state, the Nashville Post Office, there is that hard working credit union fellow and former League Treasurer S. A. McCoy and J. P. Booth as well as T. F. Jones from the Dixie Lines. Get all of these leaders in one room and something is bound to happen, and they got together so watch them from now on.

Texas

I only cover the Western half of Dixie, but included in this half is the Lone Star State, the EMPIRE OF TEXAS. The largest in territory, the fifth largest by way of population in the United States and ranking tenth in the number of credit unions, makes this a state worth while hearing about. At the present time Texas has over three hundred credit unions with over 70,000 members and assets exceeding \$7,000,000.

"Now that we have passed the experimenting stage," said V. S. Judson, League President, "we really intend to get down to business and begin to do some credit union organization in the state of Texas." He actually meant that, because shortly after I left the state the League hired a full time managing director. And this new managing director is none other than National Director W. J. Edmonston who hails from the Dallas Teachers credit union in Dallas. Ed has been in the credit union

FINEST SERVICE RENDERED

What is the outstanding service your credit union has rendered to a member? We want the "world" to know. Tell us, in 400 words or less. Send to Ralph G. Long, Editor, 1002 Lincoln Park Drive, Decatur, Ill.

movement for a number of years and there is very little he doesn't know about it. I believe Ed would rather organize a credit union than eat, and boy, how he loves to eat.

So with three hundred credit unions already to their credit and a managing director who like nothing better than to organize credit unions, all indications point to the fact that Texas will soon leave tenth place to some other state. Just as a friendly warning, I'd say you present nine leading states had better step up production, because these Texas Rangers are just beginning to "round them up."

Louisiana

Louisiana is another one of our Southern states that is slowly but surely making progress in credit union development. Last January there were only about a total of 75 credit unions in the state and the league having a fairly good percentage as members actually employed a managing director FULL TIME. To be sure, the boys felt like they were in a skiff in the middle of the Atlantic Ocean when they took this step, but if you knew Louisiana credit unions as we know them, then you would know they made port safely.

John J. McGoey, Jr., the managing director of the League had little credit union experience when he took over this all important job. Mac has done a splendid job and with a year's experience behind him the future looks very bright for credit union development in this state.

Louisiana has the distinction of not only being the home of National Secretary Harold Moses but of also being the home of the first organized Federal Credit Union in the United States. And that credit union is among the employees of D. H. Holmes Co., a large department store in New Orleans, whose president, I. C. Kernaghan has been a leader in the credit union movement of this state since 1934, having served two consecutive years as league president.

So Long

I would like to tell you more about our other Southern States, but will have to wait until the next time. Meanwhile, keep close watch on the credit union development in DIXIE.

THE NEW YEAR

The old year has passed—

The New Year is here.

May your hearts hold but gladness.

And sunshine and cheer.

THE BRIDGE—January, 1940

FILENE MONTH RECOGNITION BRINGS RESULTS

FROM THE VERY beginning of the Filene Memorial Campaign we have been endeavoring to give our Credit Unions and their members all the facts. The aim of this article will be to give more facts and bring everyone up to date as to the present status of this nation-wide effort.

The past two months have brought some very encouraging results and experiences. These we wish to share with the readers of the BRIDGE. One of the real problems of our national committee is to find some way to circulate information about our campaign and its progress. BRIDGE readers can help a great deal in this, and we urge that they do all they can to pass on the campaign facts to their fellow members. This will boost the campaign and will also help to increase the usefulness and service of the BRIDGE as our national magazine.

Quotas

As stated in a previous article in the BRIDGE, the Executive Committee of Cuna at their September 1st meeting approved a schedule of campaign quotas for submission to the states. These were forwarded to the state chairmen for their consideration and approval, if they felt they were fair and reasonable in amount.

The response has been very gratifying. For many the amount proposed looked large, but they were going ahead and do their best to raise it. That is all anyone could ask. C. O. Alexander, state chairman of the good old state "where the tall corn grows," wrote stating that their proposed quota was \$5,000 but they were setting their own goal at \$8,000, and believed they could raise it. The spirit of that fine Iowa football team must be getting into the blood of Credit Union folks out there. We deeply appreciate such a spirit.

Filene Month Observance

Shortly before the anniversary date of Mr. Filene's death (September 26th), a letter was sent to every Credit Union in the United States and Hawaii. This letter urged their participation in the celebration of Filene Month and in the campaign. Folders were enclosed, telling of various plans which could be followed for raising funds.

There can be no doubt as to the value of this circularization of the Credit Unions. In an educational way it accomplished much. A great number of Credit Unions had probably not heard of the campaign up to that time, or at least only in a very general way. It gave them something "to work on," so to speak, in the way of information and plans of procedure. The results thus far show that many organizations have entered into the program in a fine spirit of cooperation. Many meetings of directors were called for the purpose of discussing the campaign, many took affirmative action.

Scores of letters have been received from Credit Unions all over the country. Practically without exception they have been favorable constructive letters, expressing approval of the campaign, and a desire and willingness to support it.

Up to December 1st, 101 contributions have been sent to my office, totaling \$1,542.92. These varied in amount from \$135.00 to \$500.00. Several gifts from small Credit Unions indicated that the attitude of sacrificial giving expressed in the "widow's mite" was very much present. In other words, they "gave themselves" along with their gift. I want to go on record again as being certain that, when our members express their honor for Mr. Filene, and their devotion to our national movement by making a gift in this way, it does something for them and for our cause; both are the better for it.

Summary of Gifts by States

Statement of the contributions received from Credit Unions and members, according to states, as of November 29, 1939, is shown on this page.

To this total of \$31,911.26 should be added the sum of \$15,000.00 raised by the Credit Unions and citizens of Madison for the purchase of the site for Filene House. The grand total to November 30th, therefore, is \$46,911.26.

The foregoing report shows that the first ten states in the order of the amount contributed thus far, are as follows:

1. Michigan	\$781.9	6. New Jersey.....	\$1093
2. Illinois	715.8	7. Missouri	1063
3. Ohio	342.9	8. Wisconsin	690
4. Pennsylvania	1206	9. Florida	633
5. Kentucky	1130	10. Connecticut	616

It is worthy of note that we have thus far received 12,663 individual gifts, averaging 89 cents each. This is most encouraging as it shows that our members are thinking of this campaign in terms of a real contribution rather than a casual donation.

Financial Statement

Statement of Income and Expenditures
Period from April 1, 1938, to November 30, 1939

INCOME

Cash Pledges Paid.....\$31,911.26

EXPENSES

Salaries	\$ 449.37
Express & Cartage	177.16
Forms & Advertising.....	3,403.18
Postage	206.43
Stationery	167.93
Travel	468.47
Wrapping	24.56
Options	200.00
Other	42.87
	5,139.97

EXCESS OF INCOME
OVER EXPENSE \$26,771.29

Balance Sheet

Assets		Liabilities	
Cash	\$26,836.64	Vouchers	
Petty Cash.	25.00	Payable..%	90.35
		Excess of	
		Income	
		Over Expense	
		26,771.29
	<hr/> \$26,861.64		<hr/> \$26,861.64

Plans for Annual Meetings

Credit Unions everywhere are giving more attention and thought to their annual meeting. These annual meetings will afford an excellent opportunity to promote the campaign. Hence, we trust that Credit Unions which have not already raised their contribution will be making plans to include the campaign as a definite part of the program.

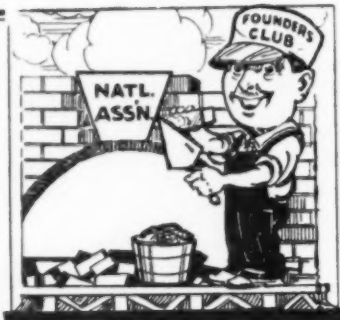
In this connection, Nat Pelletier, Minnesota State Chairman, has made a very good suggestion. Each state chartered Credit Union work out a quota, based upon a minimum of 25c per member, and at the annual meeting vote to make this contribution out of its undivided earnings. While this plan does not have the great educational value which goes with personal solicitation, it enables the contribution to be raised quickly. (Continued on page 12)

STATEMENT OF CONTRIBUTIONS

	Individuals	Amount	Credit Unions	Amount	State Totals
California	12	\$ 25.00	*18	\$ 481.05	\$ 506.05
Colorado	1	5.00	*11	495.00	500.00
Connecticut	157	137.03	16	479.20	616.23
District of Columbia	58	104.00	2	62.00	166.00
Florida	161	156.50	16	476.69	633.19
Georgia	1	1.00	13	438.10	439.10
Illinois	1,696	1,613.89	*86	5,443.38	7,157.27
Indiana	305	276.15	13	250.75	535.90
Iowa	2	6.00	2	26.25	32.25
Kansas	203	110.40	*17	684.79	795.19
Kentucky	120	98.25	8	1,032.00	1,130.25
Louisiana	27	29.50	13	496.22	525.72
Maine			2	70.00	70.00
Maryland			9	439.00	439.00
Massachusetts	25	28.00	11	391.90	419.90
Michigan	5,018	5,007.00	18	2,812.00	7,819.00
Minnesota	19	15.66	* 4	125.91	141.57
Mississippi			4	72.15	72.15
Missouri	106	123.25	*23	939.76	1,063.01
Montana	1	5.00	* 3	31.50	36.50
Nebraska	1	5.00	4	48.50	53.50
New Jersey	1,108	325.07	*25	768.17	1,093.24
New York	19	43.00	6	103.00	146.00
North Carolina	*26	27.00	2	27.00	54.00
North Dakota	1	2.00	7	69.95	71.95
Ohio	2,597	1,983.65	*69	1,846.23	3,829.88
Oklahoma	49	33.15	6	76.02	109.17
Oregon	98	123.85	6	88.78	212.63
Pennsylvania	752	738.00	18	468.00	1,206.00
Rhode Island			1	5.00	5.00
South Carolina	45	62.25	1	12.00	74.25
Tennessee			3	130.00	130.00
Texas			5	79.83	79.83
Virginia	1	1.00	3	132.45	133.45
Washington	3	3.00	3	127.00	130.00
West Virginia			3	75.00	75.00
Wisconsin	45	50.00	38	640.38	690.38
Wyoming	1	5.00			5.00
Canada	4	112.00	7	559.70	671.70
Hawaii			2	40.00	40.00
Philippine Islands.....	1	1.00			1.00
TOTAL	12,663	\$11,256.60	494	\$20,654.66	\$31,911.26

* Totals include contributions from state leagues (under credit union tabulation).

FOUNDER'S CLUB



WE HAVE one or two letters during the month which indicate that some of our leaders do not understand the very simple rules which govern the Club. There are only a couple of rules for this extraordinary organization which never meets, has no dues and yet is so very important in the credit union movement. To be eligible, one must; (1) be a member of a credit union and; (2) be instrumental in organizing a new credit union. In order to join, the applicant must himself (or herself) write us a letter in which he (or she) sets forth; (1) the name of his credit union; (2) the name of the new credit union he was instrumental in organizing and; (3) a statement that he desires membership in the Founders' Club. That's all there is to it.

As we enter 1940, the Founders' Club promises to become a major factor in the credit union program for the year. There were only 85 credit unions organized and reported in to Raiffeisen House during November ordinarily a good month. We have passed successfully through the pioneering period of credit union development. I can recall the early days when it was something of an accomplishment to organize a couple of credit unions a month. The credit union was then very much on trial; we were experimenting. We had something

to sell—an idea of great value—but we had no samples in our sample case. Mr. Filene and I talked many times in those days of the happier day when we would be ready for the mass production of credit unions. Now the sample case bulges with samples; the credit union has proved its capacity to survive the most serious industrial depression in history. We have learned how to organize credit unions and we know that the credit union has a service of very great value to render to at least 90% of all the people of the United States. If we can step up the organization program from 1,000 to 5,000 credit unions a year we shall rapidly bring the credit union to the service of all of the people; in the process we shall build all of the State Leagues, the CUNA Supply, the CUNA Mutual, the Bonding Department and every activity of the Leagues and of the National Association.

We are going to attempt in 1940 to build a group of at least 500 organizers, volunteers who will organize a credit union a month, the National Association to supply the leads, to do the paper work and to help in every way. *It is the biggest job of the year* and we are going to start by submitting our plan, when perfected, first to the 455 members of the Club, from whom we expect to get many of the recruits of "The CUNA Legion." And we hope that

membership in the CUNA Legion will be the greatest honor within the credit union movement. So we urge all members to stand by; we'll be seeing you!

We offer for initiation four stout-hearted men who have labored for the credit union movement in the United States and have come, knocking on the door of the Founders' Club for admission. The four initiates are from New York State (2), from St. Louis, Missouri and from St. John, New Brunswick. May I introduce them in order:

No. 452 has been assigned for all time to Frederick J. Morris, outstanding credit union leader in St. John who belongs to the St. John Teachers Credit Union and was instrumental in organizing the Pacific Credit Union, also of St. John. He is prominently associated with the St. John Chapter which is one of the outstanding chapters in Canada.

Herman J. Levine gets number 453. Herman is a member of the long established and very successful Ellenville Credit Union and proved his credit union loyalty by organizing the Federal Cooperative Credit Union of Woodbridge, New York. Once in a while we have a knock on the door of the Founders' Club and, when we go to open it, we find there someone who is long overdue. We had to get Orrin Shihe up to Madison as Educational Director before he would stop high-hatting us. Orrin has organized several credit unions and finally decided to join up via the Western New York Federal Credit Union. He is a member of the Buffalo Insurance Federal Credit Union and is rapidly proving that he is the right man in the right place as Educational Director of CUNA.

That brings us to the last initiate of the month, none other than James S. Cody of St. Louis. Jim has been a member of the Lubrite St. Louis Employees Credit Union for some time and an outstanding figure in the credit union life of that city. He organized the Red Horse Credit Union of St. Louis and, with him, we close the book for this issue.

Shortly we shall call all members of the Founders' Club to the colors—to do battle for the credit union's greater program. The order is "forward" and we go over the top for good in 1940!

Founder.

FILENE MONTH RECOGNITION (Continued from page 11)

We trust that Credit Unions will regard 25 cents per member as a minimum gift. Many Credit Unions have given more. The Detroit Teachers Credit Union and the Detroit Postal Employees Credit Union have given \$1.00 per member; the Cleveland Swift Employees Credit Union an average of 80 cents per member, and many others will follow their example.

For Federal Credit Unions, also, the annual meeting can be used to a good advantage in promoting the plan of personal solicitation. By the use of the campaign folder, together with a statement to the members in connection with the notice of the annual meeting, it will be possible to acquaint them with the plan and purpose of the campaign. If it is favorably presented as a part of the program, many of the members will make pledges at the meeting. Those who are not present can be solicited by a committee selected by the board of directors. The Committee is confident this plan will succeed, and the great proportion of the members of each Credit Union will be glad to make a contribution.

The comments, suggestions, and criticisms are welcomed.

NATIONAL FILENE MEMORIAL COMMITTEE
—Claude E. Clarke, Chairman.

AS OTHERS SEE US (Continued from page 5)

hundred in many different localities. Personally I doubt very much if there is a wide spread violation of the secrecy of loan applications. In most cases it would be the result of a poor choice of credit union officers rather than lax credit union practice. The only solution in such cases would be new officers.

The idea of borrowing from absolute strangers rather than running a chance of embarrassing your friends is a good rule if it can be observed. However, the absolute stranger, the loan shark, will only loan at ruinous interest rates. Your default in this case is paid by the exorbitant interest fee charged another fellow human as desperate as yourself. So the unhappy situation of borrowers in default on loans on account of sickness and bad fortune is not alleviated by merely hiding it from your social friends. That is the time you will find out if you have any friends.

The total loans of the credit union appear rather small beside the loans of the great financial institutions in the United States. However when one con-

AN EDUCATIONAL DEPARTMENT SERVICE

Textbook on credit union movement
"CUNA Emerges" loaned free for 30 days!

Persons interested in securing information on the organization, operation and benefits of a credit union, write:

J. ORRIN SHIPE, Educational Director
Raiffeisen House Madison, Wis.

siders the resources of the credit unions represent only the savings of small wage earners and that the real growth of the movement has only been in the past 5 years, the fact we are serving one out of every 25 borrowers is a remarkable record. And I don't think that is a grandiose claim either!

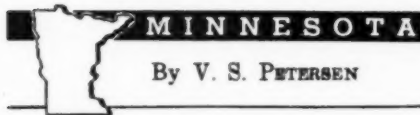
It is of interest and education to receive different viewpoints on credit unions and we are indebted to Mr. Bren-tano for both his article and letter.

NEWS OF STATE LEAGUES

"Replacing the best with something better—that is the keynote of progress"—Edward A. Filene.

A SUGGESTION

From an outstanding leader we have the following: "So long as the *BRIDGE* remains limited to its present number of pages it would help very materially if the *State League News* contain only material of general interest as distinguished from local interest. I have for example, in the mail today a copy of the excellent publication issued by the Credit Union League. This reaches all of the credit unions in that State and obviously, therefore, a re-duplication of any of this material in the *BRIDGE* would not be of any very special interest outside this State where the material has already been used. Of course any material of common interest to the whole credit union membership contained in State supplement copy submitted should be used." The editor would appreciate your reaction to this suggestion.



By V. S. PETERSEN

BUILDING NEW HOMES

SELDOM, IF EVER, have Minnesota Credit Union leaders sponsored an idea which met with such instantaneous reception as has the plan for building new homes on a non-profit basis through the medium of a co-operative housing association.

Meetings of both the Minneapolis and St. Paul groups have been held at the League Office during the past month—the turnout was such that standing room was at a premium.

The first twenty-four lots purchased in a block by the association, have all been sold to individuals who are ready to build. Present plans call for starting construction early in the spring. The League Credit Union, under F.H.A. Charter, will handle the mortgages.

It stands to reason that the bargaining for material, labor and services necessary to build twenty-four homes, at one time, can be done with considerable economy.

Are the Credit Unions going to furnish some impetus to the lagging housing program? *It might look as though we can, in a very practical way, do something towards bringing this much desired thing, a home, to our people.* After all, do you know of any financial institution which is closer to its membership, and conse-

quently best able to serve it, than the Credit Union?

WOW!!

For 25¢—give away a 1940 car, spend \$332 for rent of the Minneapolis Municipal Auditorium, \$114 for one of the best orchestras in town, use \$50.00 for prizes for Waltz and Jitterbug contests, have an hour and a half of moving pictures, give away a dozen other door prizes ranging from a round trip to Chicago on the new "400" to 26 loaves of bread and 26 dozen doughnuts and top it all off by bolstering the League's budget to the tune of two thousand dollars and you have a "picture" of the sixth Annual Minnesota League of Credit Unions **GRAND BALL**. It was, indeed, a **GRAND BALL**.

New Credit Unions

Rochester State Hospital
Credit Union Rochester
Kelsey Co-operative
Credit Union Kelsey

Squaw Lake Co-operative
Credit Union Squaw Lake
Ogilvie Co-operative
Credit Union Ogilvie
Furniture & Wood Workers
Credit Union Minneapolis
Minneapolis Federation of
Teachers Credit Union Minneapolis
Projectionists Credit Union Minneapolis

CHAPTERS

The way to a man's heart IS through his stomach—Participation in **MINNEAPOLIS AND ST. PAUL CHAPTER** meetings has greatly increased yes, nearly doubled since a way has been found to serve coffee and—in *Minneapolis* it went a step farther and admission to the last meeting was obtained by presenting some article of staple food or a few dimes to be used in preparing a Thanksgiving basket for a needy family.

Swift & Company at **SOUTH ST. PAUL** entertained more than fifty members of the St. Paul Chapter on November 23rd. Coffee, bread and a most generous assortment of their own cold meats. This group

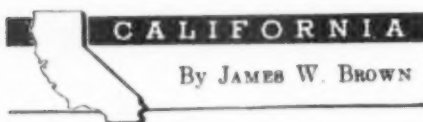
LEAGUE CREDIT UNION MONTHLY STATEMENT October 31, 1939

	DEBITS	CREDITS
CASH IN BANK	\$ 6,512.03	
Loans—Personal	\$ 87,986.12	
Credit Union	121,675.86	
RE and FHA	50,712.09	
Investments FHA	260,374.07	
Premium paid on Investments	47,892.84	
Furniture and Fixtures	984.38	
Salaries	551.60	
Interest paid on Deposits	1,507.50	
Loan Protection Insurance	949.29	
Social Security and Unemployment	711.50	
Other Expense	49.19	
Cash short	1,748.98	
	1.98	
Shares—Individual	\$ 13,764.98	
Credit Union	228,372.26	
		\$242,137.24
Deposits—Individual	1,176.64	
Credit Union	60,757.88	
		61,934.52
Entrance Fees		70.00
Reserve fund		2,139.47
Undivided profits		1,994.75
Interest received		12,397.62
Interest received not earned		350.08
Dividend Cuna Mutual		50.14
Reserve to RE and FHA		248.54
	\$321,313.36	\$321,313.36

MEMBERS	DEPOSITORS	BORROWERS
Credit Union163	Credit Union 18	Credit Union 51
Individual634	Individual 8	Individual500
		A. S. GREISEN, Treasurer.

really accomplished much in the way of solving some of the administrative problems of credit union officers. The questions were straight to the point and the discussion varied and the answers detailed. More time given to that sort of discussion should create a marked increase in chapter participation by credit unionists.

Several members of the Board of Directors and the office force attended the CENTRAL MINNESOTA CHAPTER meeting at Melrose on November 16 and were most gratified at the interest shown in solving the problems of rural and parish credit unions. Leo Lauer of Collegeville took an active part in the meeting as did several other officers of old and new credit unions. The group is to be guests of the Holy Angels Credit Union at St. Cloud on the occasion of their next meeting.



By JAMES W. BROWN

Still Expanding

Charlie Drenk reports that charters have been issued to the following new credit unions:

- Los Angeles City School Empl. Fed. Credit Union.
- Vernon Fibreboard Products Empl. Fed. Credit Union.
- Farmers' Auto Insur. Empl. Fed. Credit Union, Los Angeles.
- Knudsen Creamery Empl. Fed. Credit Union, Los Angeles.
- Stockholders' Publishing Co. Empl. Fed. Credit Union.

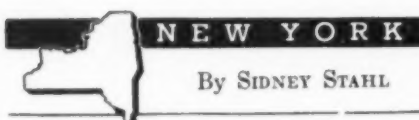
While Meeting with a Board of Directors

After conscientiously doing his duty at a board meeting our assistant executive secretary walked out of the meeting to find his car in a sad state of repair. A truck in reverse gear when the driver started the motor, had backed into his car, smashing the headlights, fenders and grill work. Nothing daunted, he is now making his calls in an old wreck which takes lots of persuasion to start and a lot of muscle to steer.

Selling "Bridge" at Chapter Meetings

At a recent Los Angeles Chapter Meeting 90 copies of the Bridge were sold in 5- and 10-copy lots. One treasurer wanted the copies to distribute to his board to clinch his argument for subscriptions while other officers bought the extra copies for interested members. On the whole, the plan proved very effective in bringing the Bridge before the attention of the credit union officers, probably more so than the casual mention by the president or program chairman.

It would appear to be a worthwhile investment for each chapter to have at least 5 or 10 copies of the current Bridge at the monthly chapter meetings. The Chairman



By SIDNEY STAHL

METROPOLITAN DISTRICT CHAPTER

THE METROPOLITAN DISTRICT CHAPTER had its monthly meeting on November 15, 1939, at Elsie Reid's Restaurant, New York City, and the main order of business was a Credit Union Quiz, which was followed by the serving of refreshments, after the conclusion of the Quiz.

The meeting place and the refreshments were arranged under the chairmanship of Otto Schuler, Treasurer of the New York State Credit Union League, to whom there is due a vote of appreciation for his splendid and congenial services. The conduct of the meeting at the restaurant, a spacious and friendly eating place, was very conducive to the exchange of friendly greetings, and a very cordial atmosphere prevailed. This provided a splendid vehicle for a new venture on the part of the Metropolitan District Chapter, in the form of a Credit Union Quiz.

New Venture

The Credit Union Quiz was conducted under the chairmanship of Peter Schwickrath, Chairman of the Chapter Educational Committee, and much credit must be given to the Chairman of the Committee and Professor Quiz, who was no other than our own Sidney Stahl, Managing Director of the New York State Credit Union League, for their splendid services. Likewise, many thanks are due the five judges, who determined the winners of the awards.

Professor Quiz, propounded the questions to the entrants and the responses were recorded by the five judges. Eight members of State Chartered Credit Unions were first quizzed and the correctness of their answers was recorded. Upon the conclusion of that part of the Quiz, eight members of Federal Credit Unions were quizzed, and their answers were recorded. The winner of the State group of entrants, Mr. Cook, received a \$5.00 cash award. The winner of the Federal Credit Union group, Mrs. Strasser, received a \$5.00 cash award. Then State Credit Union questions were propounded to the winner of the Federal Credit Union group, and Federal Credit Union questions were propounded to the winner of the State Union group and Mrs. Strasser was the winner of that final contest, and she received an additional \$5.00 cash award.

Instructive and Entertaining

This was a splendid means of Chapter Education by direct participation on the part of the members who entered the Quiz Contest. The meeting also served the purpose of getting the Credit Union officials

as a rule could use 5 to 10 minutes reviewing the important news or answers to credit union problems and the extra copies could be given free or sold to new credit union officers to use as sample copies.

* * *

and representatives in the Metropolitan District Chapter together in an atmosphere where views could be exchanged on a very cordial and friendly basis. It was the opinion of all, and this was a very well attended meeting, that meetings of this nature and character, where officials and representatives of the Credit Unions can directly participate, are conducive to increased activity on the part of those present.

The Credit Union Quiz was of practical use and value to the many whose problems were answered. It provided a forum where matters of general interest to the Credit Union representatives were discussed. The meeting did much to foster and develop social exchanges between the officials and representatives present. It was a most happy and successful undertaking.

IRWIN LEVINE, President.

ROCHESTER DISTRICT CHAPTER

The Annual Dinner of the Rochester District Chapter will remain long in the memories of the 125 credit unionists who attended. The Directors and Committeemen, members of the 20 credit unions who participated, lauded the efforts of Miss Rita Miner, Sears Rochester Federal Credit Union, and Eugene C. Gerbereaux, Arpeko Employees Credit Union, who were in charge of the arrangements. Following a sumptuous dinner served by credit union members of the Rochester Hotel, the Master of Ceremonies, Ben Lipson, introduced the guests of the evening, Rolf Nugent, Director Consumer Credit, Russell Sage Foundation, and Matthew F. McAvoy, Assistant Deputy Superintendent of Banks.

Rolf Nugent Speaks

Mr. Nugent just completed a five year study of consumer credit and called attention of those present to some of the facts disclosed by his survey. In passing we wish to note that his report is in book form and published by the Russell Sage Foundation. The title of the book is "Consumer Credit and Economic Stability." Mr. Nugent's studies included national consumer credit from 1923 to 1937 and it was indicated that the United States Chamber of Commerce may pick up the series and use it in formulating public policy.

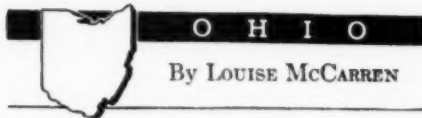
During his address Mr. Nugent predicted that the cost of installment buying, and how much the average American pulls out of his pockets to pay bills, may become one of the yard sticks that will determine the flow of federal public spending.

People who do not use credit wisely cause "headaches for social agencies." Economic problems that grow out of the fluctuation of consumer credit in prosperity and depression must be studied by credit unions, he advised.

Matthew F. McAvoy, Addresses Group

The presiding officer then presented Mr. McAvoy who for more than an hour answered questions relative to State operat-

(Continued on next page)



Columbus Holds Third Annual "Management Night" Dinner

THE NOVEMBER meeting of the Columbus Chapter is always devoted to Management Night. Each credit union brings to this chapter meeting, the officers of its company, if it is an industrial credit union; the pastor, if it is a church credit union, or labor leaders if it is a labor union credit union. The purpose of the meeting is to get the "boss" and the "workers" to sit around the table and discuss their mutual problems. It provides an excellent opportunity for the "bosses" to understand the aims, ideals and accomplishments of the credit unions.

Over 300 persons attended the meeting and heard Mr. Paul L. Selby, Chief of the Division of Securities, praise the rapid growth of the credit union movement. He pointed out, however, that our job is hardly begun.

NEW YORK

(Continued from page 14)

ing credit unions which were asked by the audience. A transcript of the questions and answers will be forwarded to credit unions relatively soon.

John Ammering, Director of the Chapter, can justly be proud of the increased attendance at Chapter meetings with 80% of the credit unions represented.

Helman Honored

The Annual Testimonial Dinner, Dance and Entertainment of the Metropolitan District Chapter will be held on Saturday Evening, February 3rd, at the Hotel Astor.

This year the credit union folks in the Metropolitan area will give further expression of their esteem for Nat C. Helman, who has devoted a major part of his life to the credit union movement. We cannot adequately note in this limited space his unselfishness and untiring efforts to promote and develop the "Poor Man's Bank." His innumerable friends in the credit union movement will gather on that evening to pay tribute to one who has earned the honors to be bestowed.

TEACHER CREDIT UNIONS

Edward Hawthorne of the Hudson River Teachers Federal Credit Union recently made a survey of the growth of the teacher credit unions operating in Westchester County. The six month report disclosed the following:

		Members	Shares	Loans Since Organization
New Rochelle	Mar.	162	\$5,100	\$ 8,100
	Sept.	183	8,023	21,335
Mamaroneck	Mar.	108	1,158	1,400
	Sept.	131	1,629	2,600
White Plains	Mar.	70	1,715	1,060
	Sept.	84	2,020	2,480
Mt. Vernon	Mar.	73	1,841	2,136
	Sept.	90	2,683	5,456
Harrison	Mar.	54	2,287	2,233
	Sept.	NOT AVAILABLE		
Yonkers	Mar.	70	1,428	1,365
	Sept.	121	4,042	6,220
Hudson River	Mar.	164	3,040	2,375
	Sept.	182	4,877	8,505

* * * * *

During last year, the licensed lenders, of which there are now 458 in Ohio, on \$55,000,000 of used and usable assets, loaned \$90,000,000. These companies, who make loans at 3% per month, or 36% per annum, made loans averaging \$135.00. The pawn-brokers who are licensed to loan at 5% per month, or 60% per annum, made loans totaling \$30,000,000. Credit unions in this state operating under both state and federal law loaned \$8,000,000. Discount companies made loans of \$200,000,000. No figures were given for Morris Plan Banks. Thus approximately \$350,000,000 of consumer credit was extended in Ohio through legal channels last year at interest rates from 12% per annum and up. Interest charges on these loans totaled between \$35,000,000 and \$40,000,000.

Mr. Selby pointed out that if the interest rate could be reduced $\frac{1}{2}$ of 1% it would increase the purchasing power of the borrowers by \$3,000,000 per annum. He further called attention to the fact that this does not include the unlicensed lenders whose volume and interest charges it is impossible to estimate. Mr. Selby said his department is investigating a company among whose employees loan sharks are operating and lending a goodly volume of money at interest rates of 2600%.

He told the employers that a credit union is not a labor union, although credit unions can and do operate within organized labor groups. He urged the employers to take no active part in the management of the credit union, but to permit the credit union to be operated by the members.

During the past six months Columbus credit unions have been carrying on a contest, to determine which could make the most progress during the period. Byron Redman, branch manager of the Kroger Grocery and Baking Company in Columbus, presented the plaque to the Associated Public Utilities Federal Credit Union, who in the opinion of the judges, had made the most progress during the given period. Honorable mention also went to the Columbus Teachers Federal Credit Union, the NECCO Federal Credit Union, and KEMBA Columbus Credit Union.

Rt. Rev. Monsignor Roboerty I. Sherry Addressed Cincinnati Chapter

Monsignor Sherry, pastor of St. Andrew Church, urged the members of the Cincinnati Chapter to cooperate to organize credit unions in every parish in the city. In his own inimitable way, he explained how skeptical he was when first approached by the managing director to organize a credit union. However, a meeting was called and enough signatures were secured to organize. He told that in twenty months, the people of his parish had turned from doubters into enthusiasts for the parish credit union. During that period over \$5,000 has been saved in the credit union. Loans approaching \$10,000 have been made. School children are now saving for their college education. How persons who had become indifferent and luke warm in their religion had become active church workers through the aid of the credit union.

St. Andrew parish credit union insures its loans and pays a 5% dividend. At a recent meeting of the board of directors they voted to insure their shares.

While the credit union is operated entirely by members of the parish, Monsignor Sherry inspires and encourages its leaders and under his inspiration the officers operate a very fine credit union. Father Sherry offered his cooperation to the organized credit union movement, of which he believes that cooperative credit is only the beginning.

The members of the Cincinnati chapter understand now, better than ever before, why it was that Father Sherry had to be the priest before whom the Managing Director recently said "I do."

Mr. E. J. Hickey, chief of the Field Operations of the Federal Credit Union Section, also addressed the meeting. Mr. Hickey was in the State to attend the board meeting of the Ohio League on Saturday and Sunday. The Cincinnati Chapter felt particularly fortunate that he remained over for its meeting. He gave those in attendance a very stirring and challenging message. He said that only 35% of the people within the scope of operation of the now existing credit unions had become members. He challenged the leaders not only to educate the prospective members but the now present members to a full knowledge and appreciation of their credit unions. He also pointed out that millions of people need credit union service that are yet to hear of the idea.

All members left the meeting accepting the challenge of Father Sherry and Mr. Hickey.

Cooperation in Japan Presented to Mahoning Valley Chapter

Through the facilities of the Youngstown Teachers Credit Union, members of the Mahoning Valley Chapter saw five reels of movies on the cooperative movement started and carried on through the efforts of Kagawa in Japan. The movies showed the credit unions as well as the consumer cooperatives at work. Same made clearer the broader picture of the job ahead of credit union people in this country, and our possibility of reaching our hands across the sea in a spirit of cooperation with the exploited workers of other lands.

Ohio Injector Federal Credit Union Host to Summit County Chapter

Despite the rain and cold weather about fifty credit union members in Summit County met at the plant of the Ohio Injector Company at Wadsworth, Ohio for the regular November chapter meeting. Miss McCarren discussed the credit union program in Ohio, and particularly urged all credit unions who have not done so, to conduct their Filene Memorial Fund Campaign now. The plant manager of the Ohio Injector Company welcomed the chapter and told them how proud the Company was of the credit union. He confessed that at the beginning, they were skeptical. They wondered about the League and CUNA, and just what their place was in the Movement. He stated however, that after two years, they were

thoroughly convinced that the Movement was a fine one, and that it was conducted on the highest standards.

Cleveland Chapter Meets At Public Library

The Public Employees Credit Union was host to the Cleveland chapter for the November meeting.

Ted Buffington presented ways and means of credit union publication, and urged all credit unions who could to get out a periodical for educational purposes for their members.

Mr. Munn, Assistant to the Librarian, welcomed the chapter and called attention to the displays showing the books and periodicals that were available to Cleveland citizens on the credit union and cooperative movement. We were particularly glad to learn that the Library is setting up a service which involves meeting with groups and assisting them to plan definite education programs, particularly as these concern reading. Miss McCurran congratulated the library on this forward step and stressed the importance of adult education to the credit union movement and the place of the library in it.

Two New Credit Unions Welcomed at Miami Valley Chapter Meeting

Representative of the Ohmer Fare Employees' Federal Credit Union, and the Journal Herald Federal Credit Union, both of which had been organized during the past month, attended the Miami Valley Chapter meeting.

Mr. Brust and Mr. Deaton of the N. C. R. Credit Union, and Al Burkhardt of the D. P. & L. Federal Credit Union reported on the quarterly meeting of the Board of Directors of the League. They outlined the budget as adopted, and other activities of the League. Al Burkhardt, chairman of the Chapter Filene Memorial Fund, urged the cooperation of all credit unions in the area, and asked them to conduct their campaigns at once.

Note.—Toledo Chapter meeting is being held on November 30, after the material for the Juanray "Bridge" has been submitted. A report of the meeting, will follow in a subsequent issue.

Patronage Dividends

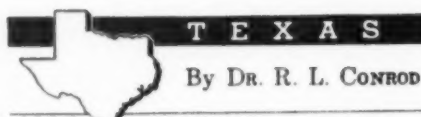
This year, many Ohio chartered credit unions, in addition to the dividend on shares, are paying a patronage dividend on interest. At a recent meeting of the members of the Cleveland Firemen's credit union—a 10% patronage dividend was voted, thus authorizing the distribution among the borrower member \$1500.

The Trumbull Postal Employees' Credit Union paid a 15% patronage dividend last year. Expressed in the words of the treasurer "members of our credit union think this plan a very good one as this keeps us a non-profit organization."

* * *

Queen Victoria is said to have asked John Bright at a dinner, "Where did all these learned men come from?"

"From babies," he replied.



TEXAS gets a new Credit Union which promises to be the largest in the State in a few years.

JUST RECENTLY an application for a Federal Charter was forwarded to Washington by the employees of the *Port Arthur Refinery* of the Gulf Oil Corporation. This is the largest oil refinery in the world. It employs from 4,500 to 8,000 men at various times. At present it has approximately 5,000 on its payroll.

The organization is important because it will serve ten per cent of the entire population of Port Arthur where there are already five other credit unions. This will mean that a large portion of the Loan Shark customers in this Texas city will be released from those clutches in a short while.

Claude Orchard Speaks at Pampa

Away up in the Texas Panhandle in a thriving western city amidst cattle and oil as well as carbon-black plants there came together for a Credit Union Chapter meeting Mr. Claude R. Orchard of Washington, D. C., Mrs. Orchard, Mr. Peterson of the Federal Section who lives in Dodge City, Kansas, and serves the Federal Credit Unions in this section of Texas, and Mr. J. Edmonston of Dallas, the League Managing Director.

Mr. Orchard used a set of charts and made an interesting talk about the Educational Functions of a Credit Union. There were more than a hundred people who came to hear him, several from Amarillo, and the rest from the seven credit unions in Pampa. Pampa, as stated in November Budget, is the strongest League supporter in Texas with five of its seven credit unions affiliated. It now shares that honor with Wichita Falls.

League Managing Director Attends Annual Convention of the Texas State Teachers Association

An attractive booth was installed by the Texas Credit Union League at the Annual Convention of the Texas State Teachers' Association which was held in San Antonio from November 30 to December 2. The purpose was to stimulate interest in the organization of new credit unions among the teachers in Texas.

There are now 28 Teacher Credit Unions in the state, but there are 256 counties in which credit unions may be organized. There is room for at least 200 credit unions to serve teachers in Texas. Literature was distributed by Mr. Edmonston, Managing Director, who was formerly a teacher. He was assisted by a number of the Board of Directors of the San Antonio Teachers' Credit Union.

The Credit Union Section of the State Association met in the Library of the Technical High School at 10:00 A.M., Friday, December 1. Mr. H. B. Yates of Dallas was Chairman and had prepared a very interesting program. Dr. Harold Brenholtz of Denton Teachers' College made a very instructive talk on "The Operation of a Credit Union." Miss Rachel

Footo discussed the "Danish-Swedish Co-Operatives" based on a special study she made last summer while sojourning in the Scandinavian countries. Mr. Edmonston discussed the organization of credit unions among teachers.

The following officers were elected for the year 1940:

Chairman: Dr. R. L. Conrod, Denton
Vice-Chairman: Mr. J. F. Jones, Texarkana

Secretary: Mr. F. P. Cunningham, San Antonio

New Chapters Are Organized in Texas

During the months of October and November there were three new Chapters organized in Texas. Mr. Edmonston, Managing Director, attended each meeting and assisted the local leaders in organizing.

The first was in *Longview* in the center of the famous East Texas Oil Field where the East Texas Credit Union Chapter was formed by fifty representatives of eight credit unions in that area. There are eleven credit unions all told and at the next meeting it is expected that all will be represented. Mr. C. W. Thomas of Tyler was present and made a brief talk. Mr. Thomas is League Secretary-Treasurer. The following officers were elected at this meeting:

President: C. E. Burdick, Humble Employees—Longview FCU

Vice-President: C. E. Overly, Sinclair—Prairie Gladewater FCU

Secretary: I. M. Howell, Humble Gladewater Dist. Employees FCU

The second was in *Waco*, the geographical center of the Empire State. Here Mr. R. S. Brown, President of the Dallas Chapter, made the principal speech of the evening at a dinner meeting held in the Raleigh Hotel. Mr. Brown pointed out the value of Chapter organization and urged that one be formed in Waco. It was the unanimous opinion of the forty persons present that the Waco Credit Union Chapter be organized and Mr. C. V. Anderson of the Tribune-Herald FCU was elected President. Mr. B. S. Wallace of the Waco Postal, a League Director, was in attendance.

The third was formed in *Wichita Falls* where Mr. C. H. Bodine, a former League Director was elected President, and Mr. F. E. Record, well known all over the United States as an expert rifleman, was elected Secretary. Mr. Bodine is from the Post Office and Mr. Record is from the Continental Oil Company. Mr. Paul Mills, Federal Representative, was present at the meeting and discussed the advantages of chapter organization.

Doig, Rentfro and Mallard to Attend Annual Meeting of the Texas Credit Union League

The annual meeting of the Texas Credit Union League will be held in *Beaumont, Texas*, January 20, 1940. At this meeting there will be a number of distinguished visitors. Mr. Thomas W. Doig of the Credit Union National Association, Mr. Earl Rentfro of the CUNA Mutual Society, and Mr. W. P. Mallard of the Fed-

eral Credit Union Section, Washington, D. C., have all accepted invitations to attend.

Panel Discussion

Following an example set by the Illinois Credit Union League, the program for this meeting will consist of "Panel-Discussion" groups in the morning and a business meeting in the afternoon. There will be three groups, namely: "The Treasurers and Credit Committee," "The CUNA Mutual Society," and "The Supervisory Committee." It has definitely been decided that Mr. Rentfro will head the second panel and that Mr. Mallard will head the third. Mr. Turner of the Houston Gas and Fuel Credit Union has been requested to act as Chairman of the first group and his acceptance is expected.

Luncheon Address

During the luncheon, Mr. Doig will make the principal address, and at the evening banquet it is expected that Mr. Rentfro and Mr. Mallard will be called upon to make inspirational talks.

Mr. H. Bentley Hahn of the Beaumont Postal is in charge of the local arrangements for the convention, and from all indications is doing a swell job.

"NOW, AS ONE STOCKHOLDER TO ANOTHER—"



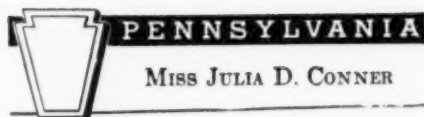
Believed to be the youngest credit union member in the nation, Mary Nancy Conrad became a member of the Denton County Teachers Credit Union last week when she was only one hour old. She is shown above in the arms of her father, Dr. R. L. Conrad of the Teachers College economics staff. Conrad is treasurer of the organization.

* * *

A Timely Thought

No man can live happily who regards himself alone, who turns everything to his own advantage. Thou must live for another, if thou wishest to live for thyself.—SENECA.

THE BRIDGE—January, 1940



PENNSYLVANIA

The place to take hold is here—*Right here.*
The time to begin is now—*Right now.*
If you don't know how to go at it right,
Go at it wrong—but go at it.

RIGHT HERE, right now, is the time to begin planning to attend the seventh annual meeting of the Pennsylvania Credit Union League. It will be held in Philadelphia, March 8 and 9, with headquarters in the Benjamin Franklin Hotel.

Every member credit union is entitled to one voting delegate and one alternate who shall be designed by said member credit union. Most credit unions make the election or appointment of their League representatives a matter of business of their annual meetings.

This meeting promises to mark an important milestone in the progress of one of the fastest-growing leagues in the United States. Up to now all efforts have been bent toward building the league strength to the point where Pennsylvania could bear her part of the load of providing protection for all credit unions. As in everything else, the strong must bear a part of the burden for the weak, and so the larger leagues are called upon to bear the larger load of the National budget. Before Pennsylvania was able to bear her share, other States were carrying our load for us; it now becomes our privilege to bear a part of the load for those smaller states where credit union development has not reached its fullest accomplishment. But even for the largest Leagues, there is a maximum sum which must be contributed to the National budget. And that limit, \$5,000 has been reached by Pennsylvania. We are contributing our maximum quota for the protection, improvement, and advancement of the Credit Union Movement.

Having accomplished our first step, we can now turn to our second. For some time there has been a growing need for information service concerning operations of credit unions, which would withstand all tests as to legality and soundness. There are many phases of credit union operation which are not covered by Federal instructions and about which State-chartered credit unions have no instruction. Procedure in Pennsylvania may differ from that in any other State, and information, to be sound, should be based upon law. Plans for such a service, including the retention of a legal advisor, will be presented at the annual meeting. This is but one of several matters of vital importance to credit unions that will be considered.

The name of the speaker for the League banquet on Saturday night will be announced later. It will undoubtedly be a man of nation-wide prominence, and many other distinguished guests will also be present.

Two hundred and fifty-eight member credit unions are expected to send representatives to this meeting, and it should be borne in mind that the expenses of a delegate to the League meeting are legitimate expenses, which have the approval of both State and Federal authorities.

The Benjamin Franklin Hotel, whose

employees, by the way, enjoy credit union service, is offering the following rates for the convention:

Single room—\$3.50 per day;

Double rooms—accommodating two, with twin beds—\$6.00 per day;

Double rooms—with double beds—\$5.50 per day.

Reservation should be made through Mr. W. C. Buchler, Armour & Co., 917 Noble St., Philadelphia. Because the Benjamin Franklin is one of Philadelphia's most prominent hotels—located in the heart of downtown Philadelphia—the hotel management will appreciate having reservations made as early as possible. This will insure comfortable service for members of the League and enable the hotel to dispose of rooms not needed for our purpose.

Filene Memorial Campaign

The Filene Memorial should have some place on the agenda of every credit union meeting in the State. Looking at it from a purely business standpoint, without sentiment, the National Headquarters have long been inadequate and now, that the lease on Raiffaissen House has expired, CUNA has been forced to move into temporary quarters. They are paying rental for which they have only makeshift facilities.

Just as many credit unions have their offices on tops of packing boxes when they begin, and later find that they must move to more adequate quarters, so CUNA has found that it is no longer possible to operate a large and growing cooperative, a mutual insurance society writing over \$50,000,000 of coverage, the publication of a national magazine, and its other incidental business in the former home of a normally-sized family. We need a place which will properly house all of these activities.

What better way to provide proper headquarters, and at the same time to honor the man who made our credit unions possible than through the erection of a memorial in the form of a utilitarian building.

Our quota is small—only \$15,000. Of course that seems like a lot, when you first look at it. But consider that there are at present 120,000 credit union members in the State of Pennsylvania, and you will see that if each credit union set as its goal 25¢ per member, it wouldn't take long to raise our quota. Wouldn't any credit union member be willing to contribute the price of a movie—or less?

DO IT NOW; DON'T WAIT FOR THE OTHER FELLOW TO DO IT.

* * *

ANNUAL MEETING TIPS

(Continued from page 3)

report and they find the cost justified. Do not overlook the opportunity of distributing these to all members, actual and potential.

Cuna Educational Services will be pleased to receive a report of your annual meeting, since by collecting annual meeting ideas and developments from individual credit unions, we will be able to pass them on so the entire credit union movement will benefit, thus building a more democratic, as well as a stronger and efficient movement.



I O W A

By FRED A. BEARD

President's Column

Hello Folks—

It won't be long now! Annual meetings, with reviews of past year's business, plans for coming year, etc.

In making plans for your meeting, as well as for next year, don't forget what has made your credit union possible. Edward A. Filene gave a million dollars that you and I might have the credit union. *Has it been worth a dollar to you?* If so, don't ignore the opportunity as explained in detail elsewhere in this issue to show your appreciation for what Mr. Filene did for the movement.

Another thing, that should receive serious consideration at this time: We have a very fine publication in the *BRIDGE*, the official publication of our national association. It is a real honest-to-goodness credit union magazine and every director and committeeman of every credit union should be receiving it. It needs your support and you need it. It will make better officers and better credit unions. See that your credit union gets it for all officers and as many members as possible.

I'll not take up any more space now. You know what!! We will have to get out a larger publication next year. There's so much news coming in, and so many things to "talk over" we really need to expand.

If you have trouble getting your members out to the annual meeting, try throwing a party. That'll get them out!

Thank you,
C. O. ALEXANDER.

How Does Your Credit Union Rate?

CREDIT UNIONS, we are told, are designed to attain certain definite objectives, and to render certain definite services. The degree to which a credit union accomplishes these objectives would be a measure of its success.

First, a credit union is supposed to encourage and promote thrift—teach the saving habit. They are organized so that the ordinary person can save small amounts on a systematic pay-day basis. It was not intended that members already with the saving habit should transfer savings from elsewhere to the credit union only because of the comparatively higher return it will pay, but rather it is a place where the non-thrift member can start saving if only in small amounts but with regularity, and with safety.

Second, the credit union is a place where the members can borrow for necessary purposes at reasonable rate of interest, and with a plan of repaying in small, convenient installments.

Third, the credit union is an education in itself, and too often this is overlooked. It's a corporation, with a board of directors which fix the policies consistent with the credit union law, and best credit union practices; a loan committee which must pass on all loans; and a supervisory committee which see to it that the credit

union operates according to law and regulations, and which audit the books and records of the credit union.

If you care to "look into" your credit union and see just how near your credit union is accomplishing all of the above objectives, etc., you might try out the following plan, and classify your members.

A. All members who are saving regularly and who borrow from the credit union when they need money and repay it in regular installments promptly, rate as *active members*.

B. All members who save regularly but who never borrow rate as *semi-active*.

C. All members who do not save regularly, or who only put in money at irregular intervals, if at all, rate as *in-active*.

D. All members (and I hope you don't have many, but if you are doing a good job you may have a few, since we are told that we must take a few chances) who have loans but who are not repaying them, not even the interest, and are not saving anything, rate as *delinquent*. Such accounts may or may not be collectable, but perhaps occur now and then, if your credit union has built up a sizable legal reserve, and can take some chances, because that is a part of our job.

After you have classified all your members, figure out what percent each is of the total membership. Do you have 60% *active members*, or does it run a lot higher, or lower? I am sure that you will find such a survey very interesting, and it may serve in building up your credit union and

"IT IS ONE OF THE MOST BEAUTIFUL COMPENSATIONS OF THIS LIFE THAT NO MAN CAN SINCERELY TRY TO HELP ANOTHER WITHOUT HELPING HIMSELF."

—Shakespeare.

make it possible to do even a better job than it has in the past. Certainly it will be a basis for putting on an educational campaign; getting more members; more members to save regularly; to use the credit union when they need to borrow; get rid of dead timber; and a closer checking on delinquents. When you get it all figured out put in graph or chart form for the members to look at at time of annual meeting.

C. O. A.

Our Credit Union Thermometer

From Managing Director Herb Vetter comes the following glad Christmas tidings:

Credit unions organized since April 1, 1939: H-Z Employees, Des Moines; D-X Credit Union, Waterloo; Airmaster Credit Union, Waterloo; Burlington Municipal Emp. Credit Union, Burlington; Speeder Credit Union, Cedar Rapids; Independent Credit Union, Davenport; Buffalo Credit Union, Davenport; L. Ginsberg & Sons Credit Union, Des Moines; Corn Belt Credit Union, Oelwein (Chicago, Great Western RR.); Old Home Credit Union, Sioux City (Metz Baking Co.).

The following applications for charters have been approved, but the organization has not been completed: K. E. M. Credit Union, Keokuk; Kealloy Credit Union, Keokuk; Yellow Cab Credit Union, Des Moines; Cedar Rapids Telco Credit Union, Cedar Rapids.

The following credit unions have charters pending: Mason City Telco Credit Union, Mason City

(Telephone Co.); Peter Pan Credit Union, Davenport (Peter Pan Baking Co.).

Here is a significant item: All of the credit unions which have been organized since April 1, 1939, have joined the league.

Three groups that have been operating for some time also have joined the league. They are: Buildings & Grounds Credit Union, Ames; Dain Employees Federal Credit Union, Ottumwa; Duquesne Federal Employees Credit Union, Dubuque.

The October Meeting

The state directors of the Iowa league shoved off at 9:25 a. m., on Sunday, October 22, 1939, at the Memorial Union at Ames. Twenty members of the 21 were present. Routine business of the league occupied both morning and afternoon sessions, reports were heard, and views were aired. It would take three issues of the *News* to make a full report, but some of the highlights were:

1. Review of the affairs of the National Association.

2. Automobile insurance at 20% below manual rates was made official.

3. Chattel mortgage bond was approved, eliminating the need of filing chattel mortgages at county seats.

4. The *BRIDGE* and the Iowa Credit Union *News* were reviewed and discussed.

5. Extensive reports were made by the two national directors Walz and Alexander, and Managing Director Vetter.

6. An excessive bond coverage plan was adopted.

A Sunday dinner was held in Great hall, attended by about 50 credit union folk, at which Mr. Ben F. Hillebrandt, managing director of the Missouri league, and national director, preached the credit union "sermon."

Convention Committees

Budget Committee: Ray Baker, chairman, Ralph Morris, J. G. Fields, and H. E. Howell.

Reception Committee; Ladies: Mrs. C. O. Alexander, Ames, honorary chairman, Mrs. Ralph Klotzbach, Waterloo, vice-chairman, Mrs. Earl Connors, Sioux City, Mrs. Ray Baker, Waterloo, Mrs. D. C. Bandfield, Waterloo, Mrs. N. J. Kramer, Waterloo, Mrs. R. O. Blakely, Des Moines, and Mrs. H. W. Vetter, Des Moines.

Reception Committee; Men: Harold Miller, chairman, Ed Yonda, Ray O'Connor, J. G. Fields, Ralph Morris, J. R. Sims, and Lew Chaplin.

Finance Committee: Ray Baker, chairman, and N. J. Kramer.

Hotel Accommodations: Chas. Backrack, of Tangney-McGinn Co.

Ticket Sales Committee: Roger Brumble, chairman, A. L. McKinney, Roy O'Hearn, Chas. Sturgis, Leo Gindt, and Orral Hinds.

Banquet Committee: D. C. Bandfield, chairman, Richard Shane, and S. Woodyard.

Transportation Committee: H. L. Brock, chairman, T. E. Stevens, H. E. Solt, Robert Clay, W. L. Richardson, P. H. Mueller, Frank Wisner, C. L. Tarbell.

Registration and Information Committee: Mrs. Roger Brumble, chairman, Mrs. Orral Hinds, Mrs. T. E. Stevens, and Miss Amy Snodgrass.

Publicity Committee: N. J. Kramer.



WISCONSIN

By ALBERT KASTEN

PRESIDENT'S COLUMN

Three hundred and sixty-five credit unions have joined the Wisconsin Credit Union League so far this year. That is exactly seventy more than at the end of the 1938-1939 fiscal year. 65% of all the credit unions in Wisconsin are supporting the credit union movement in this State.

THE QUESTION that naturally arises is, "What is the matter with the other 35%?"

The answer to this question has puzzled the officers and directors of the League. What is the reason that 35% of the credit unions do not belong to the Wisconsin Credit Union League?

The officers and directors of these non-member credit unions undoubtedly have very good reasons for not supporting the League.

Is it because the League has not reached these credit unions?

Is it because the dues schedule is not agreeable to these non-members?

Is it because the services of the League are not considered worth the dues that would be paid by these credit unions?

Is it because the League in some way does not measure up to the expectations of the non-members?

We have on a number of occasions tried to answer these questions, but so far we have not been successful. The only way we can obtain the answers is to go direct to the credit unions, and that is what we intend to do.

Very shortly a *questionnaire* will go out to all the credit unions in Wisconsin, on which various questions will be asked. In following this method, we believe we can obtain some mighty good suggestions as to how the services of the League can be improved, as well as receiving the answers to the foregoing questions.

I would like to urge all officers of credit unions, which are not members of the League, to give this questionnaire their serious consideration and return it, completely filled out, to the League office.

It is *my earnest hope* that every officer, director, and member of every credit union in Wisconsin will have a joyful Christmas and a happy New Year; that the coming year will be one of progress and prosperity for every credit union in the State and in the Nation.

AL. F. SHEELEY

* * *

From the Banking Department

The examinations of credit unions indicates that delinquent loans in these institutions are increasing. We have carefully analyzed the cause for the increase of these delinquent accounts.

In many cases we have found that the directors have been allowing a collection policy which is entirely too lenient. Too often the directors are willing to accept the interest on a loan and allow the principal payment to be waived. This policy eventually will cause these loans to become troublesome.

A few credit union loans are fully col-

lateralized by security which can immediately be turned into cash. Loans of this type can safely be carried by waiving the monthly principal payment.

Practically all credit union loans are made on a monthly amortized basis. This amortized monthly agreement, wherever possible, should be strictly followed.

Credit unions which grant their loans in a lenient manner, but which insist that the monthly principal payments are made, are seldom in trouble with delinquent accounts.

It is sometimes found that delinquent borrowers have left the sphere of the credit union operation and have gone to work in another plant. It is a rare occasion to ever find a treasurer who has notified the credit union in this plant that the new employee is a delinquent borrower in his own credit union.

It would seem to us that credit unions are passing up a source of information by not checking up on the past credit union record of members who have moved from one plant to another.

We have made several inquiries to find out why credit unions do not cooperate with each other on this problem. The answer is that they do not wish to pass out information which would indicate that their credit union is not operated in a strictly confidential manner.

Information of this type is not a betrayal of your Oath of Office. This Department certainly would not interpret it as a viola-

NEW YEAR'S HOPE

Over the threshold a gallant new-comer
Steppeth with tread that is loyal to see;
White as the winter-time, rosy as summer,
Hope in his eyes, and with laugh ringing free.

Lo! in his hands there are gifts overflowing,
Promise, prophecies, come in his train;
O'er him the dawn in its beauty is glowing,
Banishing shadows of sorrow and pain.
—Unknown.

tion of any section in your by-laws. We believe that this would be good business practice and undoubtedly would help eliminate undesirable accounts. We urge credit unions in the future to cooperate with each other in this problem.

E. G. HAMPTON.

* * *

INFORMATION PLEASE by Adolph Gull

In this column I shall endeavor to explain credit union procedure and laws in the State of Wisconsin as I have become acquainted with them. Answers to questions which may be of a controversial nature shall be answered according to my opinion and therefore should not be considered as final.

Q. Where did the idea of Credit Unions originate and who was responsible for its innovation?

A. Credit Unions originated in Germany about the middle of the 19th century and were called Raiffeisen Banks. They were named after the founder, Frederick W. Raiffeisen.

Q. Who was responsible for bringing the

Credit Union idea to the United States and made it applicable to our conditions?

A. Edward A. Filene, a Boston merchant and philanthropist, went to Germany to study the function of this so-called people's bank and came back to the U. S. and sponsored credit union legislation in the state of Massachusetts. The first Credit Union was organized in Boston in the year 1909.

Q. Was the Credit Union movement sponsored by the government of the various states or by private individuals and capital?

A. The growths of Credit Unions was due almost entirely to private funds and individuals. The late Edward A. Filene spent a large part of his fortune to bring these small banks to the masses. He founded the Credit Union Extension Bureau which placed Credit Union laws in the statutes of 37 states. Wisconsin is the only state which appropriated money out of the general tax fund to sponsor the creation of Credit Unions. However, this aid to Credit Unions in Wisconsin has ceased since the early part of 1938 and this work has been financed by the Wisconsin Credit Union League. The work of the Credit Union Extension Bureau has been taken over by the Credit Union National Association, an organization which is composed of various State Leagues which are controlled by the individual Credit Unions.

Q. When was the first Credit Union organized in Wisconsin and is it still in business?

A. The first credit union charter was issued to the Milwaukee Municipal Employees Credit Union in 1923. This organization is very active today and has assets amounting to over \$200,000.00.

Q. Where are credit unions usually formed?

A. Credit Unions are formed among people who are bound together for another purpose such as employees of one firm, municipality, village, or a local unit of the federal government, members of a fraternal organization, club or church. Also many rural communities are operating successful credit unions.

Q. What are considered to be the most important reasons for the success of credit unions?

A. The close contact and relationship of the membership, the realization by the members of the benefits received, and the feeling of a duty each member has toward his or her fellow members.

Q. What kind of an organization is a Credit Union?

A. A Credit Union is a mutual corporation usually with a state charter, the purpose of which is to promote thrift among its members and to loan its funds to them for provident purposes. In Wisconsin seven incorporators are required and the Banking Commission suggests that there be a minimum membership of 50.

Q. Are credit unions subject to supervision and regulation by the government?

A. Yes. Because a credit union is a semi-public institution, it is supervised and regulated by the unit of government from which it gets its charter. Almost all Credit Unions in Wisconsin function under the Wisconsin Credit Union law and their records are periodically examined by representatives of the Wisconsin Banking Commission.



NEWS FROM CANADA

By GORDON SMITH

CANADA

MUCH ACTIVITY is uppermost in credit union circles across the breadth of this great country. In the east we have received great news from George M. Flood of St. John, New Brunswick. The local chapter there, with over 3,000 members and share capital of \$70,000.00 which has been loaned out so many times that it totals \$221,000.00, is certainly a healthy organization. Let's hear more from New Brunswick!

The ONTARIO Government has recently presented the credit union movement with a brand new Act. Incorporations are expected to be ready by the beginning of the new year. Hon. P. M. Dewar as minister of Agriculture is to be the administrator of the Act. Too much cannot be said of this sterling cooperator, and a happy future is forecast for the new department.

In TORONTO, the second largest city in the Dominion, a chapter is well on the way to formation. Under the leadership of H. H. Hannam and assisted by W. T. Carroll, A. F. Downey, Lloyd Jaeger, H. A. MacDougall, Scott Mackay, W. B. Mowle and F. Rinneard, the future of Canada's credit union movement is assured of success.

Next month we hope to have further news from other parts of the Dominion. In spite of war we all plan to enter the new year with the fixed determination to prove of even greater credit union service than before.

Hamilton City Hall Employees Co-operative Credit Society Built a Church

We have recently completed a loan totaling \$1,500.00. This is a new high for our organization in individual loans.

The idea back of the transaction is worth repeating. One of our members, a fellow employee, is also a ordained minister, with a small congregation unable to pay him a full-time salary.

Until recently this group of Christians were without a home. By careful saving a lot was purchased and with the labor of the followers a church was built, at least all but the roof. Furniture also was needed along with heating equipment.

In their dilemma they approached the credit society for advice on where or how to raise or borrow enough money to finish the building. On investigating I found a number of the adherents of the church also were employed by our organization. On my suggestion they took membership in our credit union. In this way we secured nine new members who immediately assumed the obligation of the \$1,500.00. This worked out at \$187.50 each.

These men found that in place of making their regular contribution on the col-

HAPPY NEW YEAR

Then welcome, welcome, glad New Year!
Dawn brightly on us all,
And bring us hope, our hearts to cheer,
Whatever may befall;
Bring patience, comfort, gladness, rest;
Bring blessings from above;
Bring happiness—the highest, best—
To us and those we love.

—Anon.

lection plate each week, that they were able to increase the amount a little and repay the credit union.

Effective Service

Our officers were agreeably surprised recently on receiving a letter of thanks from a member who has just completed the payment of \$1,360.00 of debts. Taken in hand by our society some two years ago, it was found necessary to settle the various accounts totaling the above amount, in order to save his job and his home.

Today he finds his debts cleared off, his salary restored to full amount, and his family in possession of lessons in economy that will last for many years to come.

Hamilton Street Railway Workers

Well, here we are again, with news from Division 107, Credit Union. Real news you will agree.

Since our last report, our funds have reached the mark of \$3,000.00, and are climbing daily. All the money with the exception of \$11.00, is out on loan, and today we are pleased to report, that every obligation, has been met by all the members who have taken out loans. Our membership is now 111.

The A. A. of S. E. R. & M. C. E. of A. have changed the preamble of the constitution, to include the promotion and formation of Credit Unions, within the local divisions. This was done by a unanimous vote of the delegates assembled at the convention in Cincinnati. This action was taken as a result of a resolution submitted by the delegate from Division 107, Hamilton, Ont.

This change also provides for the establishment of a Credit Union Bureau, at the International Headquarters in Detroit. This step we feel will mean much publicity for Credit Unions throughout the continent.

A fast growth of Credit Unions in all Street Railway properties in Canada and the U. S. A. is safely predicted.—G. K. GRITTON.

FRANKLIN:

"The use of money is all the advantage there is in having money."
Money is a good servant but a bad master.

ILLINOIS

By FRANK C. DEAN

A lot to be thankful for says Illinois:

- For Edward A. Filene.
- For a continuance of credit union service.
- For more credit unions made possible by leaders of vision and a spirit of unselfishness.
- For the confidence of investors who finance our credit unions.
- For credit committees of larger understanding of their jobs.
- For a more satisfactory state credit union law and for those who brought it about in our General Assembly.
- For sympathetic interpretation and administration of state and federal credit union laws in a peace loving democracy.
- For the indispensable services of our state and national organizations and all their subsidiaries.
- For the loyalty and faithfulness of credit union workers and officers—local, state and national.

ICUL CREDIT UNION

Financial statement of the ICUL Credit Union at the close of business October 31st, 1939.

Income	
Interest Received	\$ 13,243.47
Expense	
Rent, Light & Telephone.....	\$ 340.00
Salary	1,292.50
Office Supplies	117.56
B. P. I. Premiums.....	1,064.18
Miscellaneous Expense	761.98
Interest Paid	621.84
Exchange & Bank Charge.....	123.26
Postage	198.78
Life Savings Insurance.....	630.96
Depreciation on Furniture.....	50.00
Balance	8,042.41
	\$ 13,243.47
Assets	
Loans	\$182,126.65
Furniture & Fixtures.....	75.30
Cash	4,063.37
	\$186,265.32
Liabilities	
Shares	\$160,166.50
Notes Payable	16,770.00
Entrance Fees	109.50
Reserve for Soc. Sec.....	1.50
Reserve Fund	151.40
Undivided Earnings	1,024.01
Profit	8,042.41
	\$186,265.32

Father: "Son, can't you cut down on your college expenses? You're ruining the family."

Son: "Well, I might possibly do without books."



• Preparations are now well under way for the Sixth Annual Meeting of the Maryland Credit Union League. But before talking about our plans, let's reminisce a moment on the *Fifth Annual Meeting* which was held in Baltimore, Md., on Wednesday, February 15, 1939. The meeting opened with a fine banquet attended by 193 people, which was followed by a short business meeting and then, last but not least, the principal speaker of the evening, *Mr. William Pratt*, Vice-President of CUNA from Philadelphia, Pa. The splendid message he conveyed to those present will long be remembered and we are happy about the fact that his speech was noted verbatim and copies distributed to all officers and committeemen of every Credit Union in Maryland.

• The *Sixth Annual Meeting* of the Maryland Credit Union League has been under discussion at the past few Board meetings of the League and a tentative date of Saturday, February 10, 1940, has been set. The business session will be held in the afternoon and the banquet will follow. This change in procedure has been brought about because rural delegates find it difficult to remain for the entire program. This new procedure will enable them to have more time to become better acquainted with delegates of other Credit Unions and still depart at an early hour. The business session will be attended by officers and delegates of the League, whereas, many guests are expected to attend the banquet.

• We have a new representative from the Farm Credit Administration in Maryland, *Mr. Charles W. Fallon*. We are happy to welcome Mr. Fallon to our midst and hope that his work among us will be equally as enjoyable to him.

• There is a prominent Credit Union man at Annapolis, Md., which we take pleasure in introducing to our readers at this time. *Mr. W. W. Garrison, Jr.*, Secretary-Treasurer of the Federal Employees Union No. 124 Credit Union has not only been a successful keyman in his own group but has also been in attendance and active at nearly every regular and special meeting held by the League in Baltimore. Now that the Baltimore-Annapolis Highway is almost completely rebuilt, we hope that Mr. Garrison will be able to be with us even more often.

• Several new credit unions are now being formed and at least four have signified their intentions of becoming members of the League which we know will put our *League membership* up over the 80% mark. We are working hard, boys, and expect to be able to have our *full-time Managing Director* before many more moons. After attaining our goal, we are confident that further advancement of the Credit Union theory will be accomplished here in Maryland, where there is an extremely large industrial field wherein Credit Unions are greatly needed.

"Oh, dear, I've missed you so much," and she raised the revolver and tried again.—*Staley Journal*.

THE CUNA SUPPLY COOPERATIVE

Wishes all BRIDGE readers

A HAPPY AND VERY PROSPEROUS NEW YEAR

Now installed at our new quarters, we shall hope to continue to merit your patronage by constantly more efficient service.

Keeping in mind throughout 1940 that the CUNA Supply Cooperative is a Wisconsin cooperative society which belongs exclusively to the State Leagues which have membership in it.

We manufacture and distribute accounting forms for both State chartered and Federal chartered credit unions.

We also have a fine line of posters for bulletin board use, passbook inserts, etc., and urge that you contact your State League or this office that we may serve you in every way possible.

Incidentally

DON'T FORGET THE OFFICIAL CUNA SMALL CHANGE BANKS!

They are moving very rapidly and fill a long felt want. **Used conscientiously throughout the New Year, one of our banks will help you materially to build your savings account.**

And once again—

A Happy New Year!

CUNA SUPPLY COOPERATIVE

Madison

Wisconsin

THE CUNA MUTUAL SOCIETY

Extends to you and to all
credit union members our
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The CUNA Mutual Society is a Wisconsin mutual life insurance company which belongs entirely to the credit unions and the credit union members making use of it.

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Madison Wisconsin

P.S. AGAIN, A HAPPY
AND PROSPEROUS
NEW YEAR!

WHAT ABOUT IT? (Continued from page 7)

that these shares shall be held as collateral.

(g) Should Directors of credit unions approve a loan which has been disapproved by the Credit Committee without giving the Credit Committee opportunity to explain why the loan was disapproved?

ANSWER: In my opinion, Directors should not reverse a decision of the Credit Committee without having complete information and conferring with the Credit Committee with regard to the decision it originally made.

(h) Should any member of the Board of Directors use his influence to get a loan through for a friend after such loan has been for good reasons disapproved by the Credit Committee?

ANSWER: It is the privilege of any member of the Board of Directors to take any proper action he desires on behalf of a friend.

(i) Do you believe the same set of officers should be kept indefinitely? Wouldn't it be nearer correct to elect at least one new member to the Credit Committee and Board of Directors each year?

ANSWER: I do not believe there should be any rule with regard to how long an officer shall serve in a given position. These matters are determined at elections and the people voting should not be restricted.

You will gather from the foregoing that I am much inclined to feel that the individual member of a credit union should be permitted to live his own life. Knowing my own weaknesses, I am very reluctant to sit in judgment of my fellow man. So long as an individual plays fair with his credit union, it is my opinion that the credit union should do everything in its power to help him.

QUESTION 7.—From Minnesota. INTEREST RATE ON LOANS. At a recent Board of Directors meeting, we had up for discussion the advisability of reducing our interest rate. We have been charging the usual one per cent on the unpaid balance, but as you probably know there are several banks and finance companies that charge less than that, especially on car loans. We would like to get your opinion on this matter as we feel we are losing business by not reducing our rate of interest. Possibly you could suggest how much we should reduce it and if we should reduce it on car loans or all of the loans. We would appreciate an answer on this so that we could make a report to our Directors at the next meeting.

ANSWER: I would suggest that no change should be made in the rate of interest which you are charging on loans to your members. The rate of interest charged by banks and financial companies in financing automobiles when augmented by the charges for insurance, etc. really exceeds the rate charged by the credit union. If your credit union is finding difficulty making loans, I would suggest that

the routine through which the borrowing members must go in order to obtain a loan be simplified in every possible respect. Usually it is not the rate of interest which frightens the borrower away so much as the effort he must put forth in order to obtain the loan. During the last eight or nine years I have come in contact with many credit unions which at one point in their operation seem to have felt that their rate of interest was excessive and therefore reduced it. Most of these credit unions later found it necessary to return to the 1% a month rate and this is always rather a painful procedure.

Since a credit union is cooperative, the rate of interest charged on loans should not vary on the different types of loans. In other words, if your interest rate is to be reduced at all, it should be reduced on all loans.

Possibly it would help your credit union if three or five of the members of the credit union, separate and apart from those who now serve on the Board of Directors, Credit or Supervisory Committee, were designated as an Educational Committee. It would be the business of these members to explain to other members of the credit union the workings of your organization and the facts with regard to rates of interest charged by your credit union and the rates and other charges assessed against the borrower by other lending institutions. The possibilities brought to the fore by wide-awake Educational Committees have been thoroughly demonstrated by many of our federal credit unions at the suggestion of the Federal Credit Union Section in Washington. The Educational Committee really proves to be a very helpful sales force.

QUESTION 9.—From Pennsylvania. TREASURER'S SALARY. I offer, for your consideration, the following figures taken from our Financial & Statistical Report of October 31, 1939.

Membership	260
Total Assets	\$20,640.51
No. loans outstanding	138
Loans outstanding	\$19,659.54
Loans this year to date	180
Income on loans	\$1,618.51

Based on the above, what would you consider as an average amount to be paid in salaries, and we would appreciate it very much if you would let us have your reply by letter.

ANSWER: In answer to your question it seems to me that your credit union could well afford and should pay your treasurer \$35.00 a month for the services which he is rendering. I presume your credit union is charging 1% a month on unpaid balances and if so, this \$35.00 per month would amount to approximately 18% of the month's income. This, it seems to me, would be no more than a fair remuneration for your treasurer.

L'ESTRANGE:

"Men are not to be judged by their looks, habits and appearances; but by the character of their lives and conversations, and by their works. 'Tis better that a man's own works, than that another man's words should praise him."

Forbear to judge for we are sinners all.

THE BRIDGE—January, 1940

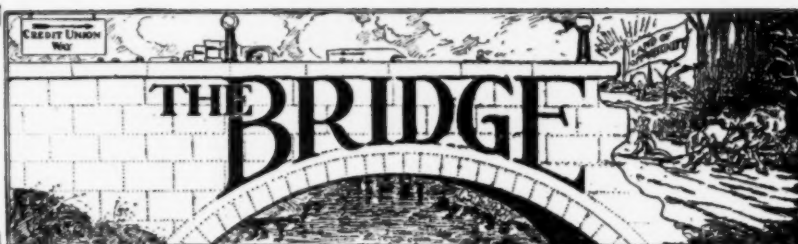
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Arkansas	21	Oklahoma	72
California	793	Oregon	144
Colorado	261	Pennsylvania	862
Connecticut	287	Rhode Island	57
Delaware	4	South Carolina	25
Dist. of Columbia	113	South Dakota	27
Florida	308	Tennessee	150
Georgia	106	Texas	436
Hawaii	47	Utah	70
Idaho	9	Vermont	...
Illinois	6,041	Virginia	196
Indiana	319	Washington	262
Iowa	521	West Virginia	46
Kansas	344	Wisconsin	2,553
Kentucky	153	Wyoming	14
Louisiana	130		
Maine	34		
Maryland	424		
Massachusetts	586		
Michigan	536		
Minnesota	988		
Mississippi	32		
Missouri	966		
Montana	24		
Nebraska	140		
Nevada	2		
New Hampshire	21		
New Jersey	343		
New Mexico	1		
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North Carolina	237		
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